**(NPV)**

Your division is considering two investment projects, each of which requires an upfront expenditure of $15 million. You estimate that the investments will produce the following net cash flows:

|  |  |  |
| --- | --- | --- |
| Year | Project A | Project B |
| 1 | $5,000,000 | $20,000,000 |
| 2 | 10,000,000 | 10,000,000 |
| 3 | 20,000,000 | 6,000,000 |

What are the two projects’ net present values, assuming the cost of capital is 5%, 10%, 15%.

What are the two projects’ IRRs at these same costs of capital?