1. Investment appraisal

1. NPV_s $\left(1/1.\%^{n}\right)$ + IRR_s

2. PBP_s

	cash flows	cumulative cash flow
0	(6,000)	(6,000)
1	600	(5,400)
2	1,400	(4,000)
3	9,300	

$PBP = 2 \text{years} + \frac{4000}{9,300} = 2.43$

3. $MIRR_s$

PROJECT			£
1	600	$\times 1.\%^{2}$	= 793
2	1,400	$\times 1.\%^{1}$	= 1610
3	9,300	$\times 1$	= 9300
			11,703

$6,000 \times (1+R)^3 = 11,703$

$R = \sqrt[3]{\frac{11,703}{6,000}} - 1 = 24.94\%$