ECO358 - Problem Set 1

Clearly state the formula/procedure/approach that you have used to obtain your results; the approach is more important than the result. If an explanation is required, write **brief** answers; the probability of writing something wrong is higher in long answers. Fuzzy logic, ambiguity and multiple answers will reduce your credit.

1 Project valuations [14 points]

Your company is going to build a new bridge that will generate $100.000 in cash flow every year, at the end