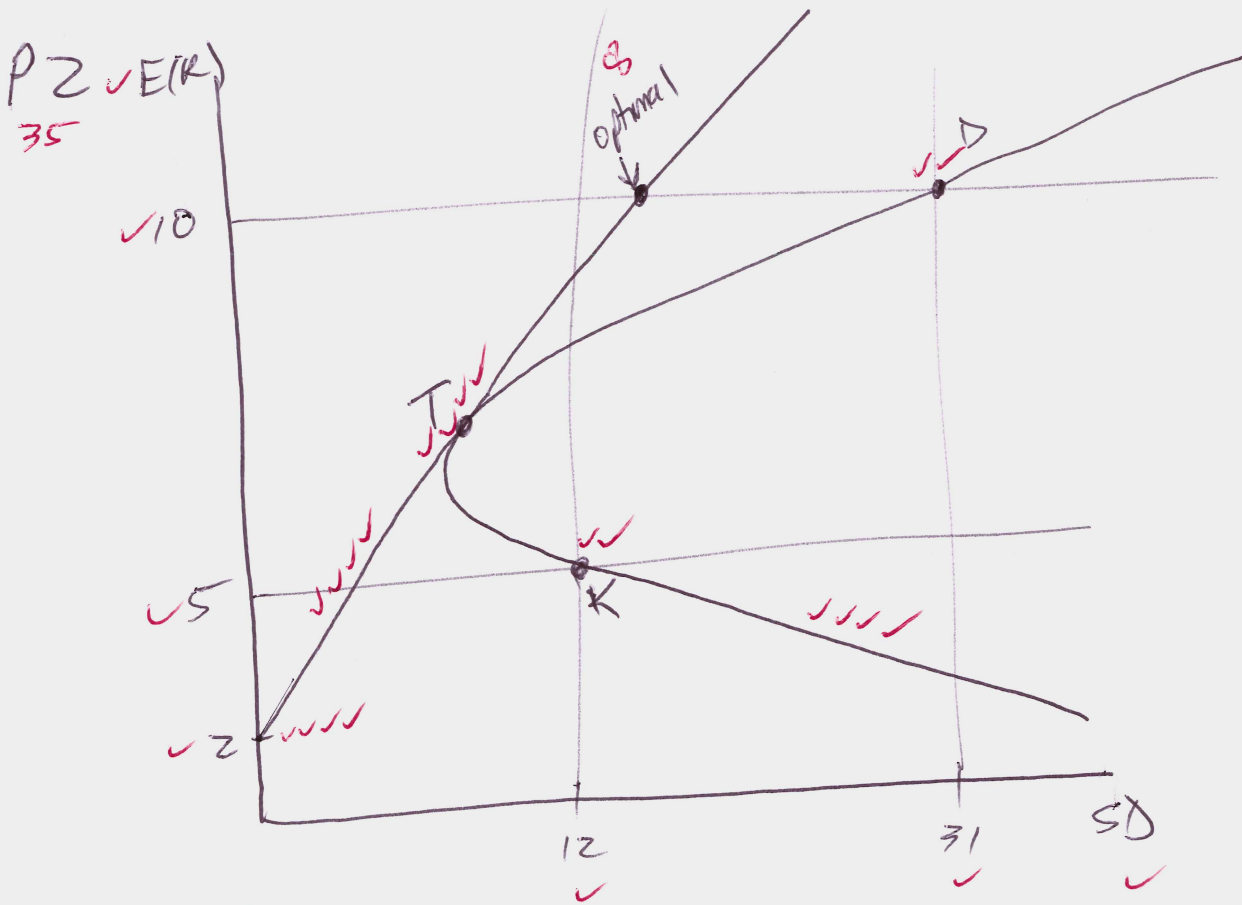


Fall 2012: Final B for 2:30 class

P1.  $V_{Taffany} = \frac{4}{(1.1)^3} + 1.5 = 4.505 > 4$

$\xrightarrow{\text{short}}$        $\xrightarrow{\text{buy}}$   
 $\text{net}$

Trans	$CF_0$	$CF_1$	$CF_2$
Buy Troll stock	-4	+3	+15
Short Taff Bonds	+3.005	-3	-4
Short Taff Stock	+1.5	0	-11
<u>Total</u>	+0.5005	0	0



scale

35 = 75  
 34 = 74  
 27 = 72  
 26 = 71

19 = 69  
 15 = 68  
 7 = 30