

Download File PDF Solution In Engineering Economics

#Jenny



Finally I get this ebook, thanks for all these I can get now!

#Rio



Cool! I'am really happy

#Markus Jensen



I did not think that this would work, my best friend showed me this website, and it does! I get my most wanted eBook

#Hun Tsu



wtf this great ebook for free?!

#Che Salsa



My friends are so mad that they do not know how I have all the high quality ebook which they do not!

#Diego Butler



so many fake sites. this is the first one which worked! Many thanks

[Download PDF version of :](#)
[Solution In Engineering Economics](#)

SOLUTIONS TO SELECTED PROBLEMS

Student: You should work the problem completely before referring to the solution.

CHAPTER 8

Solutions included for problems 1, 4, 7, 10, 13, 16, 19, 22, 25, 28, 31, 34, 37, 40, and 43

- 8.1 (a) The rate of return on the increment has to be larger than 18%.
(b) The rate of return on the increment has to be smaller than 10%.

8.4 The rate of return on the increment of investment is less than 0.

- 8.7 (a) Incremental investment analysis is not required. Alternative X should be selected because the rate of return on the increment is known to be lower than 20%.
(b) Incremental investment analysis is not required because only AB Y has ROR greater than the MARR.
(c) Incremental investment analysis is not required. Neither alternative should be selected because neither one has a ROR greater than the MARR.
(d) The ROR on the increment is less than 20%, but an incremental investment analysis is required to determine if the rate of return on the increment equals or exceeds the MARR of 20%.
(e) Incremental investment analysis is not required because it is known that the ROR on the increment is greater than 22%.

8.10	Year	Machine A	Machine B	B - A
	0	-15,000	-25,000	-10,000
	1	-1,600	-400	+1,200
	2	-1,000	-400	+600
	3	-15,000 - 1600 = -16,600	-400	+13,200
	4	-1,600	-400	+1,200
	5	-1,600	-400	+1,200
	6	+3000 - 1600 = +1400	-400	+4,200

- 8.13 (a) Find rate of return on incremental cash flow.
 $0 = -3000 - 200(P/A, 3) + 4700(P/F, 3)$
 $i = 10.4%$ (Exact)

(b) Incremental ROR is less than MARR; select Ford.

8.16 $0 = -10,000 + 1200(P/A, 4) + 12,000(P/F, 2) + 1000(P/F, 4)$