Name:

Score: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The investment of $500,000 in a surface mount placement machine is expected to reduce manufacturing costs by $92,500 per year. At the end of the 10-year planning horizon, it is expected the SMP machine will be worth $50,000. Using a 10 percent MARR and an external rate of return analysis, should the investment be made?