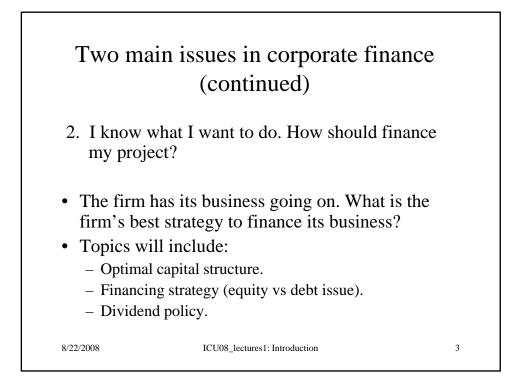
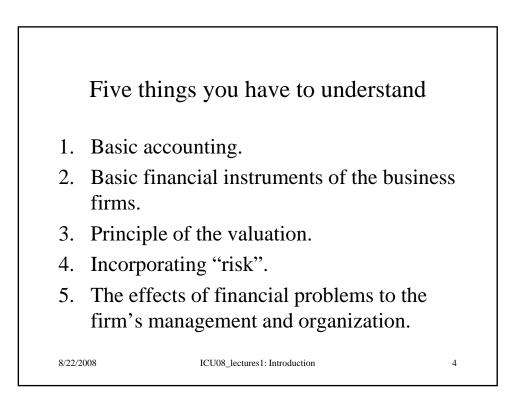
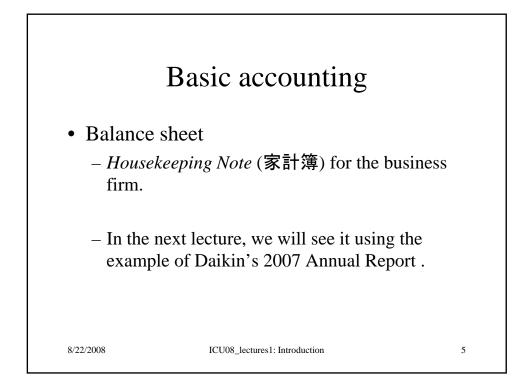
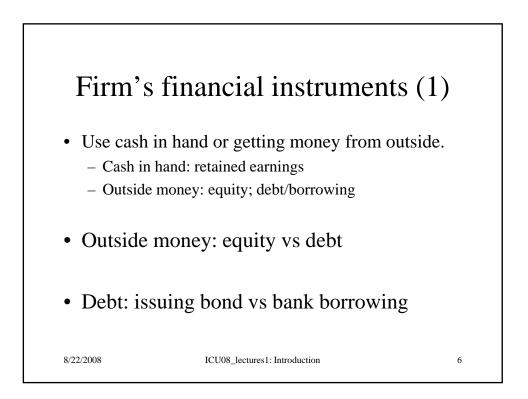


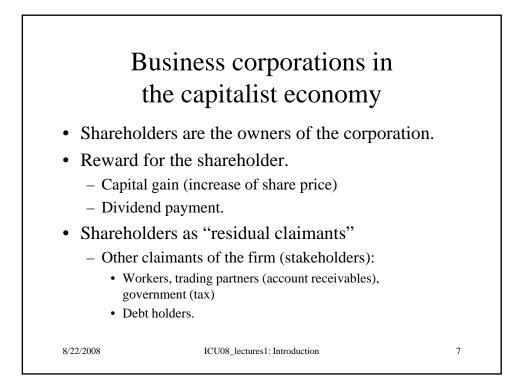
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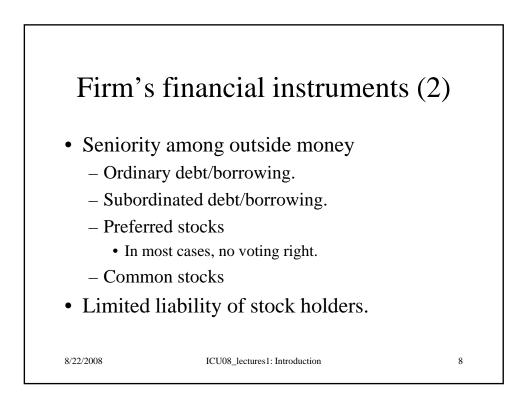












## Valuation of an investment opportunity/project

- Present-value principle (PV)
  - One and only principle.
  - Evaluate expected future profits and losses by their money's worth today. Then, you sum up everything to get net present value (NPV) of the project.
  - Other methodologies are either short cuts (e.g. IRR) or technical sophistication (e.g. real option) of PV principle.

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