

Chapter 8, Problem 2

Hybrid Hydrogen: DCF

	Year			
	0	1	2	3
Discount rate	10%	10%		10%
Outflows		-\$200,000,000		-\$600,000,000
Inflows				
Net cash flow		-\$200,000,000	\$0	-\$600,000,000
Discount factor	1.00	0.91	0.83	0.75
PV of cash flow	\$600,000,000	-\$181,818,182	\$0	-\$450,788,881
NPV = Sum of PV of all cash flows	-\$32,607,062			

