# Module 2 - Case

## PRESENT VALUE

### Assignment Overview

**Part II**: Read the following three sample business plans:

[*Ice Dreams*](http://www.bplans.com/shaved_ice_beverage_business_plan/executive_summary_fc.php) link

[*R J Wagner & Associates Realty*](http://www.bplans.com/real_estate_brokerage_business_plan/executive_summary_fc.php) link

[*Interstate Travel Center*](http://www.bplans.com/truck_stop_business_plan/executive_summary_fc.php) link

Which of these three projects do you think should have the highest risk from the point of view of investors (potential providers of funds) and would therefore be evaluated using the highest discount rate? Which one do you think should have the lowest? Write a paper explaining your reasoning.

In your assessment of the business plans consider the possible risk of each plan. Risk is one of the main considerations when deciding whether a plan should be evaluated and discounted to present value using a high or a low discount rate.

Note: you are not expected to fully analyze the numbers and financial statements in these business plans. There are only forecasts and projections. Nobody really believes them anyway. Use your intuition rather than calculations to assess risk and potential of each of these plans.

**Assignment Expectations**

Turn in *both* Part I and Part II in one Word document when completed. Part I should be two pages long and contain your calculations. Part II should be two pages long.