

### Question 3

$$3.1) \text{ Net profit} = \text{Total Cost} - \text{Total Income}$$

$$\boxed{NP = TC - TI}$$

#### Project 1

$$NP = -250\,000 + 350\,000 \\ = 100\,000$$

$$\boxed{\text{ROI} \\ \frac{\text{Avg Annual Prof}}{\text{Total Investment}} \times 100}$$

#### Project 2

$$NP = -300\,000 + 325\,000 \\ = 25\,000$$

#### Project 3

$$NP = -200\,000 + 320\,000 \\ = 120\,000$$

$$3.2) \text{ ROI} = \frac{\text{Avg annual Profit}}{\text{total Investment}} \times 100$$

Return on investment is a measure of how much money or profit is made on an investment.

#### Project 1

$$\text{ROI} = \frac{100\,000/6}{250\,000} \times 100 \\ = 6.67\%$$

#### Project 2

$$\text{ROI} = \frac{25\,000/6}{300\,000} \times 100 \\ = 1.39\%$$

#### Project 3

$$\text{ROI} = \frac{120\,000/6}{200\,000} \times 100 \\ = 10\%$$