

23.

Project P requires an investment of 4000 at time 0. The investment pays 2000 at time 1 and 4000 at time 2.

Project Q requires an investment of X at time 2. The investment pays 2000 at time 0 and 4000 at time 1.

The net present values of the two projects are equal at an interest rate of 10%.

Calculate X .

- (A) 5400
- (B) 5420
- (C) 5440
- (D) 5460
- (E) 5480