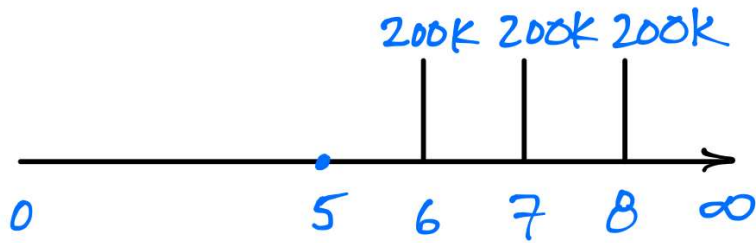


Solution: Storing Nuclear Waste

Cash flow diagram:



$$PV = \frac{\frac{F}{r}}{(1+r)^T} = \frac{\frac{200k}{0.1}}{(1.1)^5} = \frac{\$2M}{1.1^5} = \$1.24M$$