

## ROUND 1: THE SIMULATION CHALLENGE

### Phase 2 (Weightage 40%)

**Round Duration:** 10 minutes | **Submit response by:** 2300 hours or (11:00 PM)

**Google response sheet link:** <https://goo.gl/forms/qh1PAw5NuOf6Rnmf2>

Congratulations! You have done great in phase 1.

Now brace yourself for the next challenge, which will make you rethink your decision.

The teams will be given a second chance to re-visit their investment outlay after taking into consideration the following changes:

The Vice-President of your company wants to be more aggressive. The upper cap of \$80,00,000 is now taken back.

The new Demand function is  $50,000 - 60P$ .

The marketing team has found that the potential revenue of the project is directly proportional to the investment fraction of that project. For ease of calculation, the net cash inflow can be directly multiplied by the investment fraction of that project.

In this case, all the participants together form the market.

Investment fraction of a project =  $\frac{\text{Sum of investment by all participants in the project}}{\text{Sum of investment in all projects by all the participants}}$ .

Participants are required to re-visit their decision in Phase 1 to decide the optimal mix of projects they want to invest in as the Chief Financial Officer of the Company in order to maximise their profitability or NPV of the Company as a whole.

### Phase 2 (40% weightage)

Points will be awarded based on highest profitability post factoring in round 2 changes. Additionally, capturing appropriate market share will also be taken into consideration while awarding points.