

## THINK CRITICALLY

*Handwrite your responses in the space below; 2 sentences each.*

1. Describe the five main types of capital projects.
  2. How do mutually exclusive projects differ from complementary projects?
  3. True or False? \_\_\_\_\_ Capital spending refers to payment by companies for current operating expenses.
  4. Purchase of new machinery to substitute for outdated equipment is an example of a \_\_\_\_\_ project.
    - a. cost-saving
    - b. replacement
    - c. government-required
    - d. social benefit
  5. True or False? \_\_\_\_\_ Mutually exclusive projects allow a company to accept more than one project.
  6. Which of the following would be complementary projects? \_\_\_\_\_
    - a. a delivery truck and a customer service office
    - b. a day care center and a new factory
    - c. a reconstructed bridge and highway resurfacing
    - d. updated computers and community assistance vehicles
  7. A government-required capital project would be \_\_\_\_\_
    - a. new machinery to lower operating costs
    - b. pollution control equipment to reduce water waste
    - c. development of a new product to sell in South America
    - d. a day care facility for the children of employees
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## TEAMWORK

*Discuss in pairs or small groups and then write your conclusions below.*

8. Select a company. In your team, identify an example of each type of capital project for this company.