**Theory Capital Budgeting (Fall 2022)**

**Q1. What are the different techniques of risk analysis in capital budgeting?**

**Q5. What are the reasons for considering risk in capital budgeting decisions?**

**Q6. Briefly explain the term “probability” and “Expected Net Cash Flows” and “Expected Net present value”.**

**Q12. Briefly explain the concept of “risk-adjusted discount rate” as a conventional technique of risk analysis in capital budgeting.**

**Q13. What are the different concepts of “risk-adjusted discount rate”. Briefly explain such components.**

**Q14. Briefly explain the advantages and limitations of “risk-adjusted discount rate” as a conventional technique of risk analysis in capital budgeting**

**Q19. Briefly explain the concept of “Sensitivity Analysis” as one of the techniques of risk analysis in capital budgeting.**

**Q22. Briefly explain the concept of “Scenario Analysis” as one of the techniques of risk analysis in capital budgeting.**

**Q24. Briefly explain “Monte Carlo Simulation” as one of the techniques of risk analysis in capital budgeting.**

**Q28. Write a short note on decision tree analysis.**

**Q30. What are the different steps involved in decision tree analysis?**