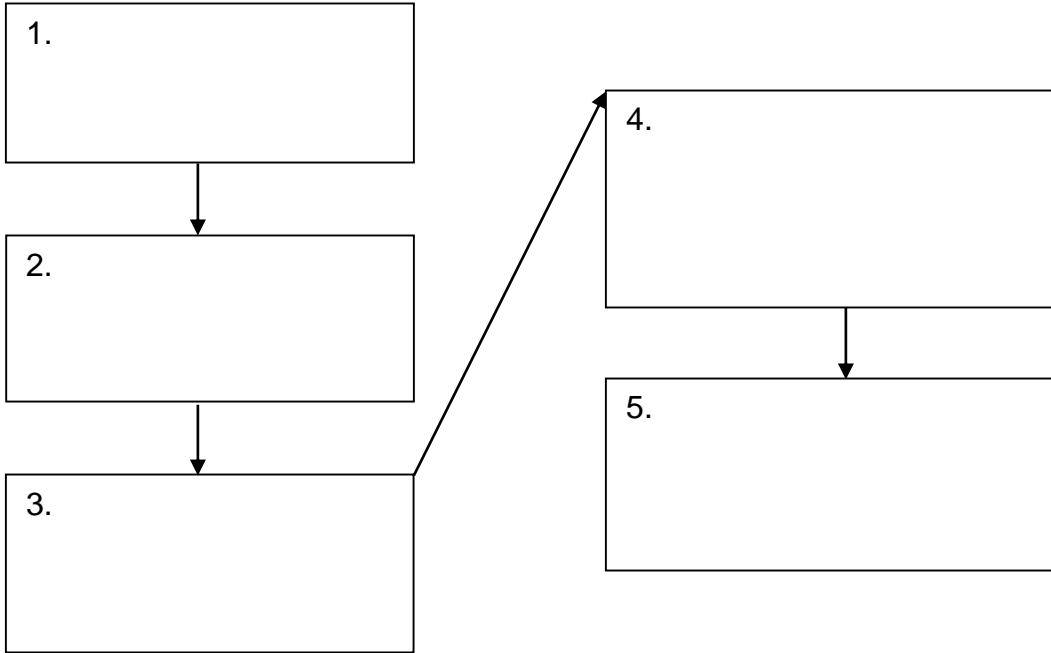


The Capital Budgeting Process Is Wild

The capital budgeting process may be viewed in 5 steps below. Write each step in order in the boxes provided. Then, in the lined area, describe an action a company might take related to each step.

The Capital Budgeting Process



Forecast Cash Flows

Identify Cost of Capital and Risks

Determine Potential Projects

Select and Implement Project

Set Capital Spending Goals

Which one of the 5 steps in the capital budgeting process do you think would be the most challenging for a business? Why?