16. You would like to open a sports store. You are considering a franchise or your own, independent store. If you decide to own a store under the franchise system (e.g., Play it Again Sports), you will generate $5,000 a year more (end-of-year) for 15 years. The initial cost will be $60,000 more versus having your own, independent store. If you would like a 7% annual return, should you start a store under a franchise system or be independent? Independent, 2.9%

17. You are on the Price is Right. You just won $100,000 (today). You are offered $300,000 to be paid in 12 years if you decline the $100,000 today. You would like a 12% annual return. What should you do? Take the $100,000, 9.59%

18. You smoke a pack of cigarettes a day ($4). You decide to give up smoking and in its place chew gum ($1 a day habit). You will take the $3 extra daily cash flow and invest it at a 12% annual rate. How much additional money will you have in 30 years. Use a 360 day year. $320,186.58

19. You are three years old. Your older sister tells you, "if you jump out the third floor and land through the basketball hoop, I will give you $500." You would like to go to Disney World when you are old enough (6 years old). You were told that it will cost $600 for you to go to Disney World. If you expect to receive an annual return of 30%, will "making a basket" allow you to go to Disney World? Assume all injuries are paid for by your parents. Yes, $1,098.50