**Homework**

Q1/ Based on the following costs from a *retrospective* analysis, what is the 2013 value for the three alternatives using a medical consumer price index (MCPI) inflation rate of 3.5% per year?



Q2/ Based on a 3% discount rate, what is the 2013 present value of the costs of the three alternatives estimated to accrue over the next 4 years? Assume that costs are assessed (accrued) at the beginning of the year.

