

❑ Example of Time Value of Money: Cranes

- The civil engineer at Tallco is considering renting one of two tower cranes for a 5-year construction project.
- Crane 1 has an initial installation cost of \$60,000, an annual rental fee of \$180,000, and a dismantling fee of \$10,000.
- These costs are respectively \$25,000, \$190,000, and \$5,000 for Crane 2.
- Which crane should Tallco rent?

