

Activity 1.2

Which of the following is a capital budgeting (C) or financing decision (F) and which is both (B)?

1. ME decides to spend \$ 1 million to do R & D for a new model of aircraft engine: _____
2. Liemens AG borrows \$ 1 million from PNZ Bank: _____
3. KM Gorman Energy Partners decides to construct new products pipeline from the Utica Shale for \$ 300 million: _____
4. Aircraft Co. and Air Atlantis break ground on new training facility for \$ 100 million: _____
5. Metla issues new shares to complete its new R&D facility: _____
6. Continental Manufacturing Co. issues bonds to finance a new refinery off the Gulf coast: _____