**QUESTIONS FOR THE ‘PRIMUS AUTOMATION DIVISON’ CASE STUDY**

**(TO BE ANSWERED IN THE STUDENT GROUP REPORTS)**

**DEADLINE: Friday, 13/11/2015, 18.00 (at PG secretary or instructor)**

In your group report, you should attempt to answer the following questions. For each question, a few pages should be enough; I should stress that I am mostly interested in understanding the quantitative analysis or reasoning that led you to your answer in the report. It is recommended that you supplement your report with a compact disk (cd) that contains any files that might facilitate me in understanding your answers (e.g. excel worksheets with computations of intermediate steps, etc.)

Questions

1. Calculate the lease advantage (over borrowing) for the four scenarios that Primus is considering in making an offer to Avantjet Corporation. [This amounts to analytically filling Exhibit 6 of the case study].
2. How do the four alternative scenarios compare with the offers made by the competitors of Primus, i.e. Faulhaber Gmbh and Honsu Heavy Industries? Which alternative should Primus go with so as to secure the deal?