Your task is to evaluate the proposed plan to modernize Diamond’s production line. Please answer the following questions:

1) What changes, if any, should Lucy Morris ask Frank Greystock to make in his discounted-cash-flow (DCF) analysis? Why? What should Morris be prepared to say to:
   a. the Transport Division?
   b. the Director of Sales?
   c. her assistant plant manager?
   d. the analyst from the Treasury staff?

2) How does Diamond Chemicals evaluate its capital-expenditure proposals? What is your assessment of this scheme?

3) After incorporating all changes that you identified in part (1) into Greystock’s DCF analysis, do you think that Morris should continue to promote the project for funding?