

## **Module 22 Saving, Investment Spending, and the Financial System**

### **Class Activity:** To Invest, or Not to Invest?

The following is data from the Cuppa Coffee Company, which is considering investing in a new high tech coffee roaster.

-Interest rate in loanable funds market 7.00%

-Projected revenue from project \$100,500

-Estimated cost of the project \$93,000

Would it be a rational business decision for the Cuppa Coffee Company to borrow the funds necessary to invest in the new coffee roaster?

### **How Would You Save?**

Think about your level of risk preference. Create a ranked list-from most preferred to least preferred-of three methods of wealth accumulation that is consistent with your risk preference.