= 1000\*(1+30%)/(1+10%) + 1000\*(1+30%)\*(1+20%)/(1+10%)^2 +1000\*(1+30%)\*(1+20%)\*(1+8%)/(1+10%)^3 +1000\*(1+30%)\*(1+20%)\*(1+8%)^2/(1+10%)^4+1000\*(1+30%)\*(1+20%)\*(1+8%)^3/(1+10%)^5 +1000\*(1+30%)\*(1+20%)\*(1+8%)^4/(1+10%)^6+1000\*(1+30%)\*(1+20%)\*(1+8%)^5/(1+10%)^7

+1000\*(1+30%)\*(1+20%)\*(1+8%)^6/(1+10%)^6 ……. = 72…

DCF:

FCF now is $1000

FCF one year later: 30% more ----- year 1’s CF ------ 1000\*(1+30%)

FCF two years later: 20% more----- year 2’s CF -------- 1000\*(1+30%)\*(1+20%)

FCF three years and more: 8% more -----

year 3’s CF ------- 1000\*(1+30%)\*(1+20%) \*(1+8%) + 1000\*(1+30%)\*(1+20%)\*(1+8%)/(10%-8%)

NPV = Firm value = 1000\*(1+30%)/(1+10%) + 1000\*(1+30%)\*(1+20%)/(1+10%)^2 + 1000\*(1+30%)\*(1+20%)\*(1+8%)/(10%-8%)/(1+10%)^2