

FIN 620 - Heritage Doll Case

Assignment:

Review the Harvard Business School Case (Brief Case) - #4212, dated September 15, 2010

Consider the following in your analysis – be specific, identify assumptions, include computations, as appropriate:

- Using the most common capital budgeting methods that most managers prefer which project(s) would you select; and why is/are the project(s) more compelling?
- Consider which project(s), if selected would cannibalize current sales of new heritage dolls. How might this impact your decision?
- Considering “what if” analysis, which project(s) would you select and why?
- Given the constraints outlined in the case, how might your analysis change; which project(s) would you select? Identify options to overcome the constraints outlined.
- Outline the argument Ms. Harris should use “sell” her decision to each member of the capital budgeting committee, including Ingrid Beckwith.