In your egg production facility, you need to purchase a new candling and sorting machine to sort your eggs more efficiently. A new machine will cost you $25,000. You also have an opportunity to purchase a used machine from another facility that will also meet your needs. The used machine will cost $15,000. Your wholesale price for eggs is $0.08 per egg. You have been approved for a 10-year loan at a 3% annual percentage rate.

A. What is the total cost of the new machine?

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B. What is the total cost of the used machine?

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C. How many eggs would you have to produce to cover the cost of the new machine?

_________________________________________________________________________________________________

D. How many eggs would you have to produce to cover the cost of the used machine?

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E. Which machine would you choose? Explain your answer.

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