Investment options

At different stages of your life, you will evaluate investment options based on the expected cash flows that they are likely to produce – a process that hopefully will help you to make informed decisions. Think about the various way you might invest money to generate income in the future, and how you will make these types of decisions. For this assignment, suppose that you have been given $10,000 with the requirement that you "invest" it in one of the 3 different options below. Research the expected return and associated risk for each of the following:- Pay down your student loan or credit card debt. Although this is not technically an investment, it is effectively the same as earning a "risk-free" rate of interest. Alternatively, you can keep the cash in a riskless (FDIC insured) bank account. Current rates are available on a number of different sites such as Bankrate.com.- Invest in any stock(s) of your choice. Research the company on Yahoo Finance or other financial site, and get statistics regarding the expected risk and return for this investment. Be very specific about why you selected this company.- Invest in a real estate rental property. Research property prices, rents, and expenses for residential income properties or get basic information from a property management site such as Mashvisor or Rootstock. Note that a "cap rate" or "cash-on-cash" return is like a dividend yield for a stock, and is calculated as net operating income (rental income less expenses) divided by the price. There are no wrong answers, but you must justify your opinions using the concepts that you have learned in this course. Be sure to include all factors used in making your evaluations, and be specific about your conclusions. To receive full credit, your answers must be well thought out and well-written. Answer ALL 4 questions below:1. Before making any calculations, which option appeals to you the most?2. What methods would you use to evaluate these options? Compare each option in terms of current yield, potential for appreciation, and estimate an approximate long-term total return.3. Which option offers the best potential return given its level of risk? Which one would you choose given your level of risk aversion? Explain in detail.4. What sort of capital investments do you think you might make in the future? What other investments (such as owning your own company or investing in a start-up) would you consider? Why? Are there any factors in addition to monetary gain that you would consider?