

	A	B	C	D	E	F	G	H
1	PRESENT VALUE ANALYSIS FOR AN INFO SYSTEM							
2	<b>INTEREST RATE:</b>	<b>6%</b>						
3		<b>YEAR NUMBER</b>						ROW TOTAL
4	CASH FLOW DESCRIPTION	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	
5								
6	<b>DEVELOPMENT COST</b>	<b>\$ 300,000.00</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000.00
7								
8	<b>MAINTENANCE COSTS</b>		<b>\$ 10,000.00</b>	<b>\$ 30,000.00</b>	<b>\$ 40,000.00</b>	<b>\$ 50,000.00</b>	<b>\$ 60,000.00</b>	\$ 190,000.00
9								
10	<b>OPERATING COSTS</b>		<b>\$ 10,000.00</b>	<b>\$ 30,000.00</b>	<b>\$ 30,000.00</b>	<b>\$ 40,000.00</b>	<b>\$ 50,000.00</b>	\$ 160,000.00
11								
12	TOTAL: EACH YEAR'S ANNUAL COST	\$ 300,000.00	\$ 20,000.00	\$ 60,000.00	\$ 70,000.00	\$ 90,000.00	\$ 110,000.00	\$ 650,000.00
13								
14	COSTS SO FAR (RUNNING TOT.)	\$ 300,000.00	\$ 320,000.00	\$ 380,000.00	\$ 450,000.00	\$ 540,000.00	\$ 650,000.00	
15								
16	PV OF EACH YEAR'S ANNUAL COSTS	\$ 300,000.00	\$ 18,867.92	\$ 53,399.79	\$ 58,773.35	\$ 71,288.43	\$ 82,198.40	\$ 584,527.89
17								
18	<b>ANN. REVENUES FROM SYS</b>	<b>0</b>	<b>\$ 1,000.00</b>	<b>\$ 70,000.00</b>	<b>\$ 200,000.00</b>	<b>\$ 400,000.00</b>	<b>\$ 300,000.00</b>	\$ 971,000.00
19								
20	REVENUE SO FAR (RUNNING TOT.)	\$ -	\$ 1,000.00	\$ 71,000.00	\$ 271,000.00	\$ 671,000.00	\$ 971,000.00	
21								
22	PV OF ANN. REVENUE	\$ -	\$ 943.40	\$ 62,299.75	\$ 167,923.86	\$ 316,837.47	\$ 224,177.45	\$ 772,181.92
23								
24	SYSTEM PROFIT (REV-COST)						\$ 321,000.00	
25								
26	PV OF SYSTEM PROFIT						\$ 239,869.87	
27								
28		BREAK-EVEN ANALYSIS						
29								
30	PROFIT SO FAR (RUNNING TOT.)		\$ (319,000.00)	\$ (309,000.00)	\$ (179,000.00)	\$ 131,000.00	\$ 321,000.00	
31								
32	PROFITABLE YEAR?		NO	NO	NO	YES	YES	
33								
34	PRECISE PROFIT POINT: PCT. OF YR					58%		
35	AFTER MONTH(S) OF THIS YEAR					6.9		
36								
37	RETURN ON INVESTMENT	49%						
38	ANNUALIZED R. O. I.	10%						
39								
40	R.O.I. BASED ON PV'S	41%						
41	ANNUALIZED R.O.I. BASED ON PV'S	8%						