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## QUESTION

1. A company is considering a new investment project. The project has a life of 5 years and requires an initial investment of \$100,000. The project is expected to generate cash flows of \$25,000 per year for the first 3 years and \$30,000 per year for the last 2 years. The company's cost of capital is 10%. Calculate the NPV of the project.

## ANSWER

The NPV of the project is calculated as follows:

NPV =  $\frac{25,000}{1.10^1} + \frac{25,000}{1.10^2} + \frac{25,000}{1.10^3} + \frac{30,000}{1.10^4} + \frac{30,000}{1.10^5} - \frac{100,000}{1.10^0}$

NPV =  $\frac{25,000}{1.10} + \frac{25,000}{1.21} + \frac{25,000}{1.331} + \frac{30,000}{1.4641} + \frac{30,000}{1.61051} - 100,000$

NPV =  $22,727.27 + 20,661.16 + 18,782.87 + 20,493.83 + 18,628.96 - 100,000$

NPV =  $80,693.09 - 100,000$

NPV =  $-19,306.91$

[REDACTED]

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1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that this is crucial for ensuring transparency and accountability in the organization's operations.

2. The second part of the document outlines the various methods and tools used to collect and analyze data. It highlights the need for consistent and reliable data collection processes to support effective decision-making.

3. The third part of the document provides a detailed overview of the data analysis techniques employed. It covers both qualitative and quantitative methods, including statistical analysis, trend analysis, and comparative analysis. The document also discusses the challenges associated with data analysis and offers strategies to overcome them.

4. The final part of the document concludes by summarizing the key findings and recommendations. It stresses the importance of ongoing monitoring and evaluation to ensure that the data analysis process remains effective and relevant to the organization's needs.