**Business Case Scenario**

**Tangible Costs:**

* £5,000 fine / vehicle
* Leasing cost 3\*12\*3,000= £108,000/vehicle

**Intangible Costs:**

* A decrease in demand that leads to a decrease in cash inflow
* Opportunity cost of buying vehicle at £75,000 rather than £108,000

**Tangible Benefits:**

* New vehicles that comply with the new stringent safety and accessibility requirements
* More reliable vehicles

**Intangible Benefits:**

* Recovery in demand
* Reduction in drivers` turnover

**Risks:**

* Running out of cash
* Selling old vehicles at values less than its residual worth
* Losing old attached customers to such vehicles

**Alternative Option**: I think Clark`s Charters company should do a deep cost-benefit analysis to each option to be able to make the best decision for all stakeholders. I suggest to management to consider having a loan along with cash received from the sale of old vehicles to buy new vehicles at £75,000.