

Net Present Value (NPV) table for Mar Organica's Project - Importing Natural Coral from the Solomon Islands

Initial Investment (Year 0): \$1,500,000 (includes research, permits, and setup costs)

- Annual Cash Inflows (Years 1-8): \$600,000 (revenue from coral sales)
- Annual Operating Costs (Years 1-8): \$300,000 (includes logistics, importation, and operational expenses)

The NPV is calculated using a discount rate of 8%, reflecting the opportunity cost of capital and risk associated with the project.

NPV table:

Year	Cash Inflows (\$)	Operating Costs (\$)	Net Cash Flow (\$)	Discount Factor (8%)	Discounted Cash Flow (\$)
0	-1,500,000	0	-1,500,000	1.0000	-1,500,000
1	600,000	300,000	300,000	0.9259	277,778
2	600,000	300,000	300,000	0.8573	257,202
3	600,000	300,000	300,000	0.7938	238,125
4	600,000	300,000	300,000	0.7350	220,500
5	600,000	300,000	300,000	0.6806	204,167
6	600,000	300,000	300,000	0.6299	188,963
7	600,000	300,000	300,000	0.5820	174,600
8	600,000	300,000	300,000	0.5370	161,100
NPV	-	-	-	-	41,725

The Net Present Value (NPV) is calculated by summing the discounted cash flows over the project's lifespan. A positive NPV indicates that the project is expected to generate value, considering the cost of capital. In this simplified example, the NPV is \$41,725, suggesting a potentially positive value for Mar Organica's coral importation project.