TJ Hatem Amer Essa Assignment #2 43980564

$$te = \frac{a + 4m + b}{6}$$

j = 5

K = 2

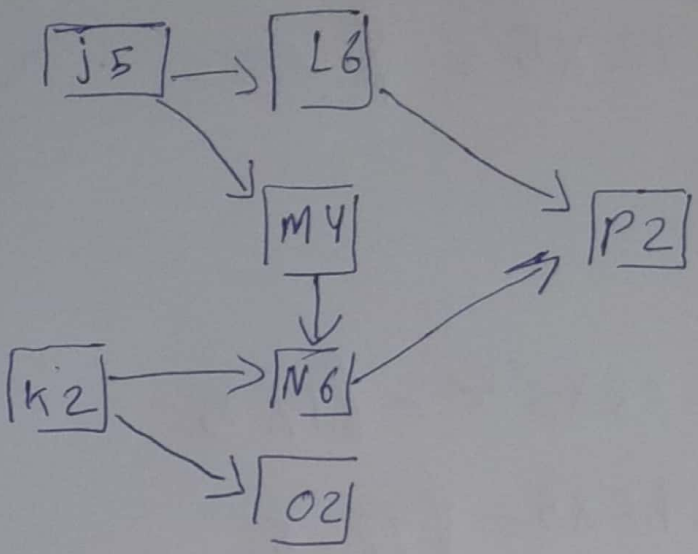
L = 6

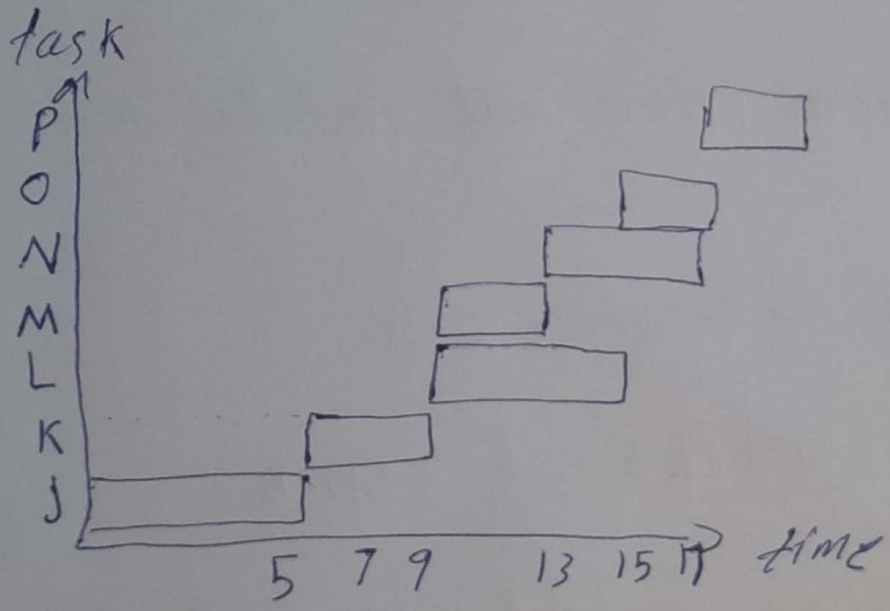
m = 4

N = 6

O = 2

P = 2





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(a)

$RC = 0,02 \times 600 = \$12$ in a year

$= 12 \times 5 = \$60$

(B)

$Rc = 0.03 \times 650 = \$19.5$

$= 19.5 \times 5 = \$97.5$

Life cycle cost $= RC + NRC$

NRC = equipment price and installation cost

Rc = anual maintenance cost

$A = 3000 + 500 + 19.5 = 3519.5$

$B = 3000 + 300 + 97.5 = 3397.5$

∴ hence we chose equipment B because it has the lowest life cycle cost