Package 'ifm'

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Type Package

Title Set of functions for financial evaluation of Software Projects

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Description R package with a set of functions for financial evaluation of Software Project.

License LGPL (>= 2.1)

URL https://github.com/eberschmitz/ifm3

BugReports https://github.com/eberschmitz/ifm3/issues

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Imports igraph, XLConnect

R topics documented:

`ifm-package` *Set of functions for financial evaluation of Software Projects*

Description

R package with a set of functions for financial evaluation of Software Project.

Details

The DESCRIPTION file: This package was not yet installed at build time.

Index: This package was not yet installed at build time.
~~ An overview of how to use the package, including the most important functions ~~

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References

~~ Literature or other references for background information ~~

See Also

~~ Optional links to other man pages, e.g. ~~

Examples

```
## examples here...
```

cpm *The Critical Path Method (CPM) is a scheduling algorithm that produces the the minimum makespan schedule for a project with unlimited resources. As a byproduct, it generates the slacks for the non-critical activities. Inputs: activity precedence relation, activity duration relation Output: early and late start and finish time for all project activities*

Description

The Critical Path Method (CPM) is an algorithm that generates the minimum makespan schedule for a given project activity network with unlimited resources.

CPM generates also the list of non-critical activities with their respective slack.

Usage

```
cpm(activities.duration = c(1, 4, 5, 7, 2, 3, 1),
  activities.successors = list(c(2, 3), 4, c(4, 5), 6, 7, 7, c(0)))
```

Arguments

`activities.duration`:
: vector with the duration of the project activities.

`activities.successors`:
: list with the set of successors for each activity.

Value

Returns a list with 4 vectors: (1) EST (Early Start Time), (2) EFT(Early Finish Time), (3) LST(Lately Start Time), (4) LFT (Lately Finish Time)

See Also

Other scheduling: `cpm.all.schedule`, `mmf.all.sequences`, `mmf.get.breakeven`, `mmf.get.selffunding`, `mmf.npv`

Examples

```
ex.cpm.activities.duration <- c(1,4,5,7,2,3,1)
ex.cpm.activities.successors <- list(c(2,3), 4, c(4,5), 6, 7, 7, c(0))
ex.cpm <- cpm(ex.cpm.activities.duration,
              ex.cpm.activities.successors)
```

cpm.all.schedule *Generates all minimum makespan schedules for a cpm network*

Description

Generates all minimum makespan schedules for a cpm network

Usage

```
cpm.all.schedule(cpm)
```

Arguments

vector	with early start time for all activities
vector	with slack for all activities

Value

Matrix with all mininum makespan cpm schedules (start time for all activities)

See Also

Other scheduling: cpm, mmf.all.sequences, mmf.get.breakeven, mmf.get.selffunding, mmf.npv

Examples

```
ex.cpm.activities.duration <- c(1,4,5,7,2,3,1)
ex.cpm.activities.successors <- list(c(2,3), 4, c(4,5), 6, 7, 7, c(0))
ex.cpm <- cpm(ex.cpm.activities.duration,
              ex.cpm.activities.successors)

#ex.cpm is a list:
# - est (Early Start Time)  - ex.cpm$est
# - eft (Early Finish Time) - ex.cpm$eft
# - lst (Late Start Time)   - ex.cpm$lst
# - lft (Late Finish Time)  - ex.cpm$lft

ex.cpm.activities.schedule <- cpm.all.schedule(ex.cpm)
```

discount.rate.vector *Vectorize the Discount Rate*

Description

Generate a vector with discount rate to be applied to each of the time periods.

Usage

```
discount.rate.vector(interest.rate, number.of.periods,
  begin.of.period = FALSE)
```

Arguments

interest.rate	A number that represents the nominal Interest Rate, presented by year.
number.of.periods	Times that interest rate should be applied.
begin.of.period	A boolean that represents if the Tax Rate will be applied at the begining of period. FALSE by default, represents that Tax Rate will be applied at second period .

Value

vector with discount rates

See Also

Other financial: discounted.csf, draw.cfs, ifir, net.future.value, net.present.value

Examples

```
ex.disc.vector <- discount.rate.vector(0.0619, 12)
```

---

discounted.csf *The cash flows incomes/outcomes applying the Tax Rate to the present time.*

Description

The cash flows incomes/outcomes applying the Tax Rate to the present time.

Usage

```
discounted.csf(cfs = c(-350, 100, 200, 150, 75), interest.rate = 0.0619,
  begin.of.period = FALSE)
```

Arguments

cfs	A vector with a series of cash flows.
interest.rate	A number that represents the nominal Interest Rate, presented by year.
begin.of.period	A boolean that represents if the Tax Rate will be applied at the begining of period. FALSE by default, the Tax Rate will be applied to the second period.

Value

The vector of cash flows incomes/outcomes applying the Tax Rate to the present time.

See Also

Other financial: discount.rate.vector, draw.cfs, ifir, net.future.value, net.present.value

Examples

```
ex.disc.csf <- discounted.csf(c(-350,100,200,150,75), 0.0619, FALSE)
```

`draw.cfs` *Draw the graph of cash flow*

Description

Draw the graph of cash flow in order to facilitate the study and the effects of the analysis of a certain application.

Cash flow is a mathematical concept that can be plotted in order to facilitate the study and the effects of the analysis of a certain

application, which may be an investment loan, finance, etc.

Normally a cash flow contains inputs and outputs of capital, marked in

the timeline starting at t = 0.

A typical example is the graph that represents a bank loan held by a form

of business that shall return this loan in n equal installments over

the following months.

E1 E2 E3 ... En-1 En

^

I

0 1 2 3 ... n-1 n

I I I

V V V

S1 S2 S3 ... Sn-1 Sn

Is possible to note that the value is entered in the company's cash (cash was

positive) and S1, S2, ..., Sn are the values of the parcels will leave

the company's cash (negative).

The fact that each arrow is pointing upward (positive) or down (negative),

it is assumed by convention, and the cash flow will depend on who receives

or pays the Capital at a certain time, and:

t = 0 indicates the current day;

Ek is the capital input at a time k;

Sk is the capital output at a time k.

Usage

```
draw.cfs(cfs, gt = "Cash Flow Graphic", to.file = FALSE,
  filename = "output/draw.cfs.graph.png")
```

Arguments

cfs	A vector with a series of cash flows.
gt	A title for the graph.
to.file	Save or not the graph in the file
filename	File's name

Value

A plot with cash flow series

See Also

Other financial: discount.rate.vector, discounted.csf, ifir, net.future.value, net.present.value

Examples

```
ex.cfs <- c(-2000,1000,1500,-500,500)
draw.cfs(ex.cfs,'My Cash Flow')
```

---

draw.discounted.cash *Draw Discounted Cash vs Time*

Description

Draw Discounted Cash vs Time

Usage

```
draw.discounted.cash(discounted.cash, smooth = 1,
  title = "Discounted Cash vs Time")
```

Arguments

discounted.cash	A vector with discounted cash flow for each timestamp.
smooth	Multiplier used to smooth line
title	Used to define the title of plot

See Also

Other draw: draw.graph

draw.graph *Draw the graph imported from the spreadsheet.*

Description

This function is responsible for ploting the graph based on the edges and export the image to a file.

Arguments

edges	- A vector defining the edges, the first edge points from the first element to the second, the second edge from the third to the fourth, etc.

Value

graph.image.path - The path to the generated graph file.

See Also

Other draw: draw.discounted.cash

Examples

```
ex.graph.image.path <- draw.graph(c(1,2, 1,3, 2,3, 3,4))
```

excel.list.to.xls *Export the generated ifm package results to a spreadsheet.*

Description

This function is responsible for reading a list of objects and export a spreadsheet with the results proccessed by the IFM package. The file contains:

- The raw data frame used to calculate the maxNPV, minSF and minBKE;
- The image oh the generated graph;
- The image oh the "Discounted Cash x Time" chart;
- The image oh the "MPV (ca$h) x Schedulling ID" chart;
- The image oh the "Self Funding (time) x Schedulling ID" chart;
- The image oh the "Breaking Event (time) x Schedulling ID" chart;

Arguments

list.ifm.result	The list with all results proccessed by the IFM package.

Value

file.path The path to the generated file.

See Also

Other utility: excel.xls.to.list, predecessors.to.edges

Examples

```
ex.sheet.data <- excel.xls.to.list("../resources/spreadsheet.xls")
ex.sheet.data.interest.rate <- ex.sheet.data[[1]]
ex.sheet.data.activities <- ex.sheet.data[[2]]
ex.sheet.data.durations <- ex.sheet.data[[3]]
ex.sheet.data.predecessors <- ex.sheet.data[[4]]
ex.sheet.data.cfs <- ex.sheet.data[[5]]

ex.mmf.seq <- mmf.all.sequences(ex.sheet.data.predecessors)

ex.mmf <- mmf.npv(ex.sheet.data.cfs,
                  ex.sheet.data.durations,
                  ex.mmf.seq,
                  ex.sheet.data.interest.rate)

ex.mmf.schedules <- ex.mmf[['schedules']]
ex.mmf.cfs.nominal <- ex.mmf[['cfs.nominal']]
ex.mmf.cfs.discounted <- ex.mmf[['cfs.discounted']]
ex.mmf.npv <- ex.mmf[['npv']]

ex.mmf.npv.selffunding <- mmf.get.selffunding(ex.mmf.cfs.discounted)
ex.mmf.npv.breakeven <- mmf.get.breakeven(ex.mmf.cfs.discounted)

ex.mmf.df.1r <- mmf.df.1r(ex.mmf.seq,
                          ex.mmf.schedules,
                          ex.mmf.npv,
                          ex.mmf.npv.selffunding,
                          ex.mmf.npv.breakeven)

ex.file.path <- excel.list.to.xls(ex.mmf.df.1r)
```

---

excel.xls.to.list *Extract a list of variables from the spreadsheet to be used on the maxNPV function.*

Description

This function is responsible for reading a spreadsheet representing the project, and return a list with the following information (in this order): The interest rate, the list of activities, the list of durations of activities, the list of predecessors of activities, the matrix that represents the cash flow series and the graph edges based on the predecessor list

Arguments

`xls.spreadsheet.path`
: The complete path to the spreadsheet that represents the project.

Value

List of variables to be used on the maxNPV function.

See Also

Other utility: excel.list.to.xls, predecessors.to.edges

Examples

```
ex.sheet.data <- excel.xls.to.list("../resources/spreadsheet.xls")
```

---

ifir *Calculate the Inflation-free Interest Rate.*

Description

Calculate the Inflation-free Interest Rate.

Usage

```
ifir(interest.rate = 0.1425, inflation.rate = 0.0759)
```

Arguments

interest.rate	A number that represents the nominal Interest Rate, presented by year.
inflation.rate	A number that represents the Inflation Rate, presented by year.

Value

Returns the inflation-free interest rate

See Also

Other financial: discount.rate.vector, discounted.csf, draw.cfs, net.future.value, net.present.value

Examples

```
ex.ifir <- inflation.free.interest.rate(0.1425, 0.0759)
```

mmf.all.sequences *Generates the topsorts list*

Description

Generates the list of all possible MMF sequences (topsorts), constrained by the predecessors.

Usage

```
mmf.all.sequences(predecessors = 0)
```

Arguments

predecessors	List of Predecessors - Zero for none. The index of the list of predecessors represents the id of MMF and the value.

Value

List of all possible MMF sequences.

See Also

Other scheduling: cpm.all.schedule, cpm, mmf.get.breakeven, mmf.get.selffunding, mmf.npv

Examples

```
ex.activities.predecessors<-list(0,1,2,3,1,5,c(4,6))
ex.mmf.seq <- mmf.all.sequences(ex.activities.predecessors)
```

mmf.df.1r *Generates a data frame with Sequence, Schedule, NPV, Breakeven and Self Funding*

Description

Generates a data frame with Sequence, Schedule, NPV, Breakeven and Self Funding

Usage

```
mmf.df.1r(mmf.seq, mmf.sched, mmf.npv, mmf.npv.selffunding, mmf.npv.breakeven)
```

Arguments

mmf.seq	A list of sequences
mmf.sched	A list of schedules
mmf.npv	A list of NPV values
mmf.npv.selffunding	A list of Selffunding times
mmf.npv.breakeven	A list of Breakeven times

Examples

```
ex.sheet.data <- excel.xls.to.list("resources/spreadsheet.xls")
ex.sheet.data.interest.rate <- ex.sheet.data[[1]]
ex.sheet.data.activities <- ex.sheet.data[[2]]
ex.sheet.data.durations <- ex.sheet.data[[3]]
ex.sheet.data.predecessors <- ex.sheet.data[[4]]
ex.sheet.data.cfs <- ex.sheet.data[[5]]

ex.mmf.seq <- mmf.all.sequences(ex.sheet.data.predecessors)

ex.mmf <- mmf.npv(ex.sheet.data.cfs,
                  ex.sheet.data.durations,
                  ex.mmf.seq,
                  ex.sheet.data.interest.rate)

ex.mmf.schedules <- ex.mmf[['schedules']]
ex.mmf.cfs.nominal <- ex.mmf[['cfs.nominal']]
ex.mmf.cfs.discounted <- ex.mmf[['cfs.discounted']]
ex.mmf.npv <- ex.mmf[['npv']]

ex.mmf.npv.selffunding <- mmf.get.selffunding(ex.mmf.cfs.discounted)
ex.mmf.npv.breakeven <- mmf.get.breakeven(ex.mmf.cfs.discounted)

ex.mmf.df.1r <- mmf.df.1r(ex.mmf.seq,
                          ex.mmf.schedules,
                          ex.mmf.npv,
                          ex.mmf.npv.selffunding,
                          ex.mmf.npv.breakeven)
```

`mmf.df.infr` *Generates a data frame with Schedule, NPV, Breakeven and Self Funding*

Description

Generates a data frame with Schedule, NPV, Breakeven and Self Funding

Usage

```
mmf.df.infr(mmf.sched, mmf.npv, mmf.npv.selffunding, mmf.npv.breakeven)
```

Arguments

`mmf.sched`	A list of schedules
`mmf.npv`	A list of NPV values
`mmf.npv.selffunding`	A list of Selffunding times
`mmf.npv.breakeven`	A list of Breakeven times

Examples

```
ex.sheet.data <- excel.xls.to.list("resources/spreadsheet.xls")
ex.sheet.data.interest.rate <- ex.sheet.data[[1]]
ex.sheet.data.activities <- ex.sheet.data[[2]]
ex.sheet.data.durations <- ex.sheet.data[[3]]
ex.sheet.data.predecessors <- ex.sheet.data[[4]]
ex.sheet.data.cfs <- ex.sheet.data[[5]]

ex.mmf.df.infr <- mmf.df.infr(ex.cpm.schedules,
                          ex.cpm.npv,
                          ex.cpm.npv.selffunding,
                          ex.cpm.npv.breakeven)
```

`mmf.get.breakeven` *Get a list with all Breakeven points from CFS*

Description

Get a list with all Breakeven points from CFS

Usage

```
mmf.get.breakeven(mmf.cfs)
```

Arguments

`mmf.cfs`	A list with a vector with a series of cash flows for each MMF sechedule.

Value

A list with all Breakeven points for each MMF

See Also

Other scheduling: `cpm.all.schedule`, `cpm`, `mmf.all.sequences`, `mmf.get.selffunding`, `mmf.npv`

Examples

```
ex.sheet.data <- excel.xls.to.list("resources/spreadsheet.xls")
ex.sheet.data.interest.rate <- ex.sheet.data[[1]]
ex.sheet.data.activities <- ex.sheet.data[[2]]
ex.sheet.data.durations <- ex.sheet.data[[3]]
ex.sheet.data.predecessors <- ex.sheet.data[[4]]
ex.sheet.data.cfs <- ex.sheet.data[[5]]

ex.mmf.seq <- mmf.all.sequences(ex.sheet.data.predecessors)

ex.mmf <- mmf.npv(ex.sheet.data.cfs,
                  ex.sheet.data.durations,
                  ex.mmf.seq,
```

```
                  ex.sheet.data.interest.rate)

ex.mmf.npv.selffunding <- mmf.get.breakeven(ex.mmf[['cfs.discounted']])
```

`mmf.get.selffunding` *Get a list with all Selffunding points from CFS*

Description

Get a list with all Selffunding points from CFS

Usage

```
mmf.get.selffunding(mmf.cfs)
```

Arguments

`mmf.cfs`	A list with a vector with a series of cash flows for each MMF sechedule.

Value

A list with all Selffunding points for each MMF

See Also

Other scheduling: `cpm.all.schedule`, `cpm`, `mmf.all.sequences`, `mmf.get.breakeven`, `mmf.npv`

Examples

```
ex.sheet.data <- excel.xls.to.list("resources/spreadsheet.xls")
ex.sheet.data.interest.rate <- ex.sheet.data[[1]]
ex.sheet.data.activities <- ex.sheet.data[[2]]
ex.sheet.data.durations <- ex.sheet.data[[3]]
ex.sheet.data.predecessors <- ex.sheet.data[[4]]
ex.sheet.data.cfs <- ex.sheet.data[[5]]

ex.mmf.seq <- mmf.all.sequences(ex.sheet.data.predecessors)

ex.mmf <- mmf.npv(ex.sheet.data.cfs,
                  ex.sheet.data.durations,
                  ex.mmf.seq,
                  ex.sheet.data.interest.rate)

ex.mmf.npv.selffunding <- mmf.get.selffunding(ex.mmf[['cfs.discounted']])
```

`mmf.max.npv` *Return Max NPV*

Description

this function identifies the sequence of activities and respectivies schedules where with the optimized NPV

Usage

```
mmf.max.npv(mmf.npv, mmf.seq = list(), mmf.schedules = list())
```

Arguments

`mmf.npv`	Vector of Net Present Value
`mmf.seq`	Vector with the sequence of activities
`mmf.schedules`	Vector with the collection of possible schedules

Value

list with NPV, sequence and scheduleof the sequence with the maximum NPV

Examples

```
ex.sheet.data <- excel.xls.to.list("resources/spreadsheet.xls")
ex.sheet.data.interest.rate <- ex.sheet.data[[1]]
ex.sheet.data.activities <- ex.sheet.data[[2]]
ex.sheet.data.durations <- ex.sheet.data[[3]]
ex.sheet.data.predecessors <- ex.sheet.data[[4]]
ex.sheet.data.cfs <- ex.sheet.data[[5]]

ex.mmf.seq <- mmf.all.sequences(ex.sheet.data.predecessors)

ex.mmf <- mmf.npv(ex.sheet.data.cfs,
                  ex.sheet.data.durations,
                  ex.mmf.seq,
                  ex.sheet.data.interest.rate)

ex.mmf.shedules <- ex.mmf[['shedules']]
ex.mmf.cfs.nominal <- ex.mmf[['cfs.nominal']]
ex.mmf.cfs.discounted <- ex.mmf[['cfs.discounted']]
ex.mmf.npv <- ex.mmf[['npv']]
```

mmf.npv *Calculates NPV for all schedules*

Description

Calculates NPV for all schedules

Usage

```
mmf.npv(cfs, durations, all.sequences, interest.rate, begin.of.period = FALSE)
```

Arguments

cfs	A vector with a series of cash flows.
durations	A vector with a list of activities durations.
all.sequences	List of all possible MMF sequences.
interest.rate	A number that represents the nominal Interest Rate, presented by year.
begin.of.period	A boolean that represents if the Tax Rate will be applied at the begining of period. FALSE by default, represents that Tax Rate will be applied at second period .

Value

A list with all shedules, all npv csf and sum of each npv.

See Also

Other scheduling: cpm.all.schedule, cpm, mmf.all.sequences, mmf.get.breakeven, mmf.get.selffunding

Examples

```
# Loading data from XLS
ex.sheet.data <- excel.xls.to.list("../resources/spreadsheet.xls")
ex.sheet.data.interest.rate <- ex.sheet.data[[1]]
ex.sheet.data.activities <- ex.sheet.data[[2]]
ex.sheet.data.durations <- ex.sheet.data[[3]]
ex.sheet.data.predecessors <- ex.sheet.data[[4]]
ex.sheet.data.cfs <- ex.sheet.data[[5]]

# Generating all possible implementation sequences
ex.mmf.seq <- mmf.all.sequences(ex.sheet.data.predecessors)

# Calculating NVP to all possible sequences
ex.mmf.npv <- mmf.max.npv(ex.sheet.data.cfs,
                          ex.sheet.data.durations,
                          ex.mmf.seq,
                          ex.sheet.data.interest.rate)

# Selecting sequence ID which max NPV
ex.mmf.npv.max <- which.max(ex.mmf.npv[[3]])
```

```
ex.mmf.sched <- ex.mmf.npv[[1]]
ex.mmf.npv <- ex.mmf.npv[[2]]
ex.mmf.npv.sum <- ex.mmf.npv[[3]]

# Index of sequence with max NPV
# ex.mmf.npv.max <- which.max(ex.mmf.npv.sum)

# Value of max NPV
ex.mmf.npv.max.value <- ex.mmf.npv.sum[[ex.mmf.npv.max]]

# Sequence with best NPV
ex.mmf.npv.max.sequence <- ex.mmf.seq[ex.mmf.npv.max]

# Schedule of sequence with best NPV
ex.mmf.npv.max.sched <- ex.mmf.sched[ex.mmf.npv.max]
```

`net.future.value` *Net Future Value is a combination of different future values from different times, all which are put into one larger present value.*

Description

Net Future Value is a combination of different future values from different times, all which are put into one larger present value.

Usage

```
net.future.value(cfs = c(-350, 100, 200, 150, 75), interest.rate = 0.0619,
  begin.of.period = TRUE)
```

Arguments

`cfs`	A vector with a series of cash flows.
`interest.rate`	A number that represents the nominal Interest Rate, presented by year.
`begin.of.period`	A boolean that represents if the Tax Rate will be applied at the begining of period. FALSE by default.

Value

A future value of a cash flow series.

See Also

Other financial: `discount.rate.vector`, `discounted.csf`, `draw.cfs`, `ifir`, `net.present.value`

Examples

```
ex.nfv <- net.future.value(c(-350,100,200,150,75), 0.0619, TRUE)
```

net.present.value *Difference between the present values of cash inflows and outflows*

Description

calculates the difference between the present values of cash inflows and outflows.

Usage

```
net.present.value(cfs = c(-350, 100, 200, 150, 75), interest.rate = 0.0619,
  begin.of.period = TRUE)
```

Arguments

cfs	A vector with a series of cash flows.
interest.rate	A number that represents the nominal Interest Rate, presented by year.
begin.of.period	A boolean that represents if the Tax Rate will be applied at the begining of period. FALSE by default, the Tax Rate will be applied to the second period.

Value

The sum of cash flows incomes/outcomes applying the Tax Rate to the present time

See Also

Other financial: discount.rate.vector, discounted.csf, draw.cfs, ifir, net.future.value

Examples

```
ex.npv <- net.present.value(c(-350,100,200,150,75), 0.0619, TRUE)
```

predecessors.to.edges *Generate a vector with the edges to be plotted by draw.graph function.*

Description

This function is responsible for reading a vector with all activities predecessors and generate a list of the edges that will be plotted by the draw.graph function.

Usage

```
predecessors.to.edges(list.of.predecessors = list())
```

Arguments

list.of.predecessors	The vector that contain all activities predecessors.

Value

edges - List of edges to be used on the draw.graph function.

See Also

Other utility: `excel.list.to.xls`, `excel.xls.to.list`

Examples

```
ex.edges <- predecessors.to.edges(ex.sheet.data$predecessors)
```

`schedules.1r` *Generates all schedules for ONE resource, Denne Method.*

Description

Generates all schedules for ONE resource, Denne Method.

Usage

```
schedules.1r(sequences, durations)
```

Arguments

`sequences`	All sequences
`durations`	Duration of activities

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