

❖ **Economic Feasibility:-**

Costs	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Total
Salaries	30	30	30	30	0	0	120
H/W & S/W	10	0	0	0	0	0	10
Training	20	0	0	0	0	0	20
Support & maintenance	0	0	0	0	10	10	20
<b>Total Costs</b>	60	30	30	30	10	10	170
<b>Benefits</b>							
Subscription fees	0	0	0	0	500	500	1000
Ad revenue	0	0	0	0	800	800	1600
<b>Total benefits</b>	0	0	0	0	1300	1300	2600
NCF	(60)	(30)	(30)	(30)	1290	1290	2410
CNCF	(60)	(90)	(120)	(150)	1140	2430	2430

Numbers are in thousands of DHS

NCF: Net Cash Flow

CNCF: Cumulative Net Cash Flow

One period corresponds to one month

H/w and S/w correspond to Hardware and Software respectively

The return on investment (ROI):

$$\text{ROI} = \frac{\text{Total Benefits} - \text{Total Costs}}{\text{Total Costs}}$$

Total Costs

$$= (2600 - 170) / 170$$

$$= 14.29\%$$

The break -even point (BEP):

$$\text{BEP} = \frac{\text{period.net cash flow} - \text{Cumulative net cash flow}}{\text{Period. Net cash flow}}$$

Period. Net cash flow

$$(1290 - 1140) / 1290 = 11.62\%$$

$$0.1162 * 1 * 30 = 3.486 \approx 3 \text{ days}$$

So the Project will take **4 months and 3 days**.

• **Conclusion:-**

**The ROI is excellent for this software, and the BEP is quick, so the risk is low.**