

a)

Initial Cost	4500
Annual Benefit	1100
Repayment Prd	4.090909091

Annual Lease	3000
Alt:	
Initial Cost	4500
Software Lease	1900

b)

interest rate=

10.00% Year

Costs

Benefit

Discounted Benefits

0	4500		0
1		1100	1000
2		1100	909.0909090909
3		1100	826.446280991735
4		1100	751.314800901578
5		1100	683.013455365071
6		1600	903.158288086044

Total: 4500

5073.02373443534

B/C Ratio: 1.127338608