

Paragon International University Admission System

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Cost-Benefit Analysis of Paragon International University Admission System

	2021	2022	2023	2024	2025	Total
Benefit						
Reduce staff expenses		\$25,200	\$25,200	\$25,200	\$25,200	\$100,800
Increased registration rate		\$30,000	\$39,000	\$42,000	\$45,000	\$156,000
Reduced supply cost		\$1,000	\$1,000	\$1,000	\$1,000	\$4,000
Total Benefit		\$56,200	\$65,200	\$68,200	\$71,200	\$260,800
Development Costs						
Website server/license	\$1,000	\$0	\$0	\$0	\$0	\$1,000
Hosting a website	\$1,200	\$0	\$0	\$0	\$0	\$1,200
Development Labor	\$12,600	\$0	\$0	\$0	\$0	\$12,600
Printer	\$3,000	\$0	\$0	\$0	\$0	\$3,000
Total Development Costs	\$17,800	\$0	\$0	\$0	\$0	\$17,800
Operational Costs						
Server maintenance		\$5,000	\$5,000	\$5,000	\$5,000	\$20,000
Hardware		\$2,500	\$2,500	\$2,500	\$2,500	\$10,000
Operational labor (Web Developer, IT, Graphic Designer)		\$20,000	\$20,000	\$20,000	\$20,000	\$110,000
Total Operational Costs		\$27,500	\$32,500	\$37,500	\$42,500	\$140,000
Total Costs	\$17,800	\$27,500	\$32,500	\$37,500	\$42,500	\$157,800
Total Benefits-Total Costs	(-\$17,800)	\$28,700	\$32,700	\$30,700	\$28,700	\$103,000

Analysis Explanation

-Staff expense: imagine 5 staff are required to be working on the registration. We would need to spend a lot of money on the staff for their monthly salary of \$700/month each.

With this online registration system, we can reduce 3 staff and save up to \$2100/month which is equivalent to the total of \$25,200/month.

-As for the development labor, there are 4 members working on this project so each of our labor would each take a salary of \$262.5/month so in total of four would take \$1050/month and in one year it would cost \$12,600

-Regarding operational costs, our first expense is server maintenance (managing student data) which will cost \$5000/year. Our hardware expenses (including computers, monitors, etc...) will total up to 2,500/year. Finally we will require 4 people to maintain our system, raking in a total of \$20,000/year with an increase of \$5000/year.