# Assignment 1 – Project Management

## Part 1 – Feasibility

*Given the following data for a project:*

| | Year 1 | Year 2 | Year 3 | Year 4 |
|---|---|---|---|---|
| Cost | 2400 | 2400 | | |
| Income | 1800 | 2700 | | |
| Net Benefits | -600 | 300 | | |
| Cumulated Net Benefit. | -600 | -300 | | |

*We can assume that the distribution of costs and benefits of each year is uniform in time. Data for the third and fourth year are as those of the second year.*

a) *If we know that the ROI is 3600 and that the revenues in the second year increase by 50% with respect to those of the first year, calculate the BET for this application. The result must be given measured in months and days, e.g., 5 months and 7 days assuming that each month has 22 working days*
b) *Calculate the current value of the ROI assuming a uniform discount (inflation) rate of 10% in each of the four years*
c) *Calculate the IRR of the project (or indicate in detail how it would be calculated) assuming uniform interest rates for all years*