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Software Project, Process and Quality Management
Assignment No-01

Q. Calculate the Net Present Value for the following projects:-

Year	Cashflow Project 1($)	Cashflow Project 2	Cashflow Project 3	Cashflow Project 4
0	-100,000	-1000,000	-100,000	-120,000
1	10,000	200,000	30,000	30,000
2	10,000	200,000	30,000	30,000
3	10,000	200,000	30,000	30,000
4	20,000	200,000	30,000	30,000
5	100,000	300,000	30,000	75,000

Solution:- NPV for Project I

Year	Cash Flow	Discount factor	Discounted Cashflow
0	-100,000	1.0000	-100,000
1	10,000	0.9091	9,091
2	10,000	0.8264	8,264
3	10,000	0.7513	7513
4	20,000	0.6830	13,660
5	100,000	0.6209	62,090
		NPV	618

NPV for Project - 2

Year	Cash-flow	Discount factor	Discounted Cash-flow
0	-1,000,000	1.0000	-1,000,000
1	200,000	0.9091	181820
2	200,000	0.8264	165280
3	200,000	0.7513	150,260
4	200,000	0.6830	136,600
5	300,000	0.6209	186,270

NPV = -179,770

NPV for Project 3

Year	Cashflow	Discount factor	Discounted Cash-flow
0	-100,000	1.0000	-100,000
1	30,000	0.9091	27,273
2	30,000	0.8264	24792
3	30000	0.7513	22539
4	30000	0.6830	20490
5	30000	0.6209	18627

NPV = 13,721

NPV for Project - 4

Year	Cashflow	Discount factor	Discounted Cashflow
0	-120000	1.0000	-120,000
1	30000	0.9091	27273
2	30000	0.8264	24792
3	30000	0.7513	22539
4	30000	0.6830	20490
5	75000	0.6209	46567.5

NPV = 21,661.5