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| --- | --- | --- | --- |
| Objectives/Criterion | Australia | Canada | Indonesia |
| NPV |  |  |  |
| Profit |  |  |  |
| Business Ethics |  |  |  |
| Human Rights |  |  |  |
| Reliability |  |  |  |
|  |  |  |  |

1. 1. The t?
      1. 10 years
   2. What would be the yearly (Net cash inflows during t)?
   3. What is the discount rate?
      1. 8%.

**What is NPV?**

1. ***What is PV?***
   1. Tells you how much you’d need in today’s dollars to earn a specific amount in the future.
   2. It is the current value of a future sum of money given a specified interest rate.
   3. The discount rate is the investment rate of return that is applied to the PV calculation. It is also the forgone rate of return if an investor chose to accept an amount in the future vs the same amount in the present.
   4. ***Why is PV important?*** 
      1. Tells the investor whether or not the price they pay for an investment today is appropriate.
      2. Ex:
         1. You expect to earn 5000$ in the 5 years. The discount rate is 8.25%.
         2. What if the discount rate is 12%?
         3. Based on the results above, an investor would be very reluctant to pay more than 1802.39$ because the PV indicates that we could find better opportunities elsewhere.
2. ***What is FV?***
   1. Tells you what an investment is worth in the future given a constant interest rate.
3. ***What is discount rate?*** 
   1. **In Discounted Cash Flow (DCF) Analysis:**
      1. It is a method used to estimate the value of an investment based on its expected future cash flows using the discount rate.
      2. This will tell you whether an investment is viable or not.
      3. Interest rate used to determine the PV.
         1. Example:
            1. 100$ invested in a saving scheme with 10% interest rate. This 100$ will grow to 110$ in the future.
            2. If I take 110$(future value) and discount it by the rate of 10%, (present value) 100$.
            3. Basically, we can reasonably predict all such future and present cashflows given a particular discount rate.
4. NPV = TVECF(inflow) – TVIC(outflow), The difference between
   1. Used to analyse the profitability of an investment or project on the basis that a dollar today is worth more than a dollar in the future due to inflation.
   2. It seeks to determine the PV of an investment future cash flows above the investment’s initial cost.
   3. The discount rate discount the future cash flows to present-day value.

**How to calculate profit?**

**What is Year to Date (YTD)?**

1. A period of time beginning the first day of the current calendar year or fiscal year (typically from January 1st to December 31st) up to the current date.
2. Allow managers to review interim (covering a period less than a year) financial statements in comparison to historical YTD financial statements.