

Example: 1, Calculation of Net Present Value (NPV)

Discount (cost of capital)	10%					
Year	Y0	Y1	Y2	Y3	Y4	Y5
Cashflow, A values	-1000000	200000	200000	300000	300000	350000
Denominator	1	1.1	1.21	1.331	1.4641	1.61051
NPV components	-1000000	181818.18	165289.26	225394.44	204904.04	217322.46
NPV in Y0	-5271.62					

NPV (Y1 to Y5) ₹ 9,94,728.38

Example: 2, Calculation of Net Present Value (NPV)

Discount (cost of capital)	12%					
Year	Y0	Y1	Y2	Y3	Y4	Y5
Cashflow, A values	-5000	1000	2000	2000	3000	3000
Denominator	1	1.12	1.2544	1.4049	1.5735	1.7623
NPV components	-5000	892.86	1594.39	1423.59	1906.58	1702.32
NPV in Y0	2519.74					

NPV (Y1 to Y5) ₹ 7,519.74