

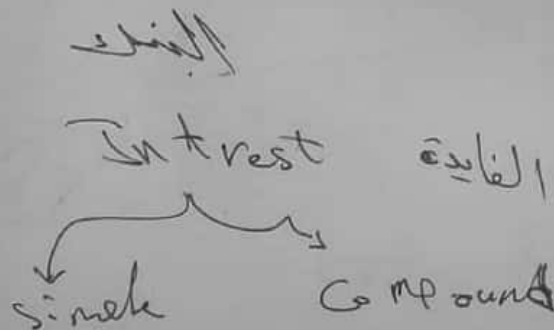
# Engineering Economy

## SDLC cost

- ① problem definition
- ② system analysis
- ③ " design
- ④ " implementation
- ⑤ test & maintenance

(516)

- ⊕ Cloud Com
- ⊕ Iot
- ⊕ Big Data
- ⊕ mobile computing
- ⊕ Expert system
- ⊕ machine learning
- ⊕ Swarm AI
- ⊕ G A Genetic



TVOM  $\Rightarrow$  Time Value of money في القيمة  
بتقدير مع الوقت

## Cash flow Diagram

$$I = \frac{200}{1000} \times 100\% = 20\%$$

after 2 years = 1400 \$

Simple Interest

1000 \$ now

12000 \$ <sup>back</sup> after one year

Interest = 12000 - 10000 = 2000 \$

# ⊕ Cash Flow Diagram

(I) ⇒ Interest

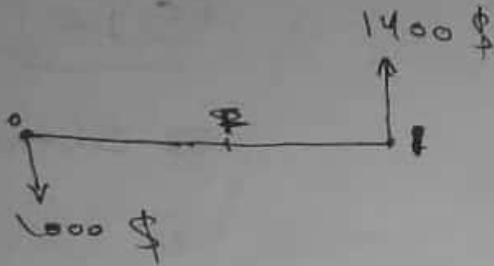
(i) ⇒ Interest rate



⊖



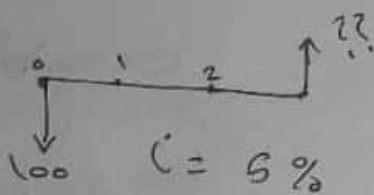
⊕



$$I = 400$$

$$i = 40\%$$

المبلغ 1400

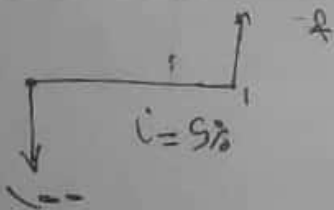


Present Value

(P)

Future Value (F)

(n) ⇒ المدة



$$F = 105$$

$$F = i * n * P + P$$

$$F = P + i * P = P(1 + i)$$

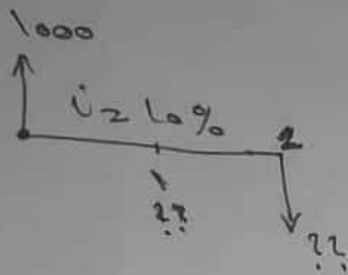
for many years (n) =  $F = P + i * n * P$

$$F = P(1 + i * n)$$

⇒ ✗

Compound Interest rate  $i$

الفائدة المركبة



after one year  $f = 1100$

after 2 year  $f = 1210$

$$f_1 = P + P \cdot i$$

$$f_2 = f_1 + f_1 \cdot i$$

$$= P + Pi + \underbrace{Pi + Pi}_2$$

$$= P(1+i)^2$$

$$f_3 = P(1+i)^3$$

$$\boxed{f_n = P(1+i)^n} \Rightarrow //$$