BITI 3533 ARTIFICIAL INTELLIGENCE PROJECT MANAGEMENT

PROFESSOR TS. DR. GOH OH SING

NET PRESENT VALUE

PROJECT TITLE: BANK LOAN APPROVAL PREDICTION SYSTEM

GROUP MEMBERS:

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Net present value (NPV) analysis is a method of calculating the expected net monetary gain or loss from a project by discounting all expected future cash inflows and outflows to the present point in time. Projects with a positive NPV should be considered if financial value is a key criterion because that means the return from a project exceeds the cost of capital (the return available by investing the capital elsewhere). The higher the NPV, the better.

Gringotts National Bank

Net Present Value (NPV) for Investment

Risk rate	10%		Method1: Manual
Year		Investment(RM)	Present Value(RM)
2020	0	9000	9000
		Plan(RM)	
2021	1	2000	1818.181818
2022	2	3000	2479.338843
2023	3	3000	2253.944403
2024	4	4000	2732.053821
Sum-PV			9283.518885
NPV Value (RM)			283.5188853
			Method2: NPV Formula
NPV Value (RM)			RM283.52

A positive NPV is when the combined PV of all cash inflow exceeds the PV of cash outflows.

As for this project, the NPV is RM 283.52. This means that the sum of cash inflow exceeds the PV of cash outflow by RM 283.52.

As a conclusion, this project will be a success because it adds RM 283.52 to the value of the stakeholder, which in this case, is Gringotts National Bank.