

Project Cash Flows

BUSI 721

Data Driven Finance I

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Balance sheet

- Net PP&E
 - Record cost at date 0
 - Depreciate over time according to tax schedule
- Net working capital
 - Inventory (usually % of COGS)
 - plus accounts receivable (usually % of sales)
 - minus accounts payable (usually % of COGS)
 - Equals NWC
- Invested capital = Net PP&E + NWC
- Zero out invested capital in last year