

Costs	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Total
Salaries	40	40	40	40	40	40	240
H/W & S/W	0	0	0	0	0	0	0
Training	10	10	5	0	0	15	40
Support & maintenance	0	0	0	10	10	10	30
Marketing	0	0	0	0	20	10	30
Total costs	50	50	45	50	70	75	340
Benefits							0
Purchasments	0	0	0	0	140	445	585
Total benefits	0	0	0	0	140	445	585
NCF	50	50	45	50	70	370	635
CNCF	50	100	145	195	125	495	1130

Legend

Numbers are in thousands of DHS

NCF: Net cash flow

CNCF: Cumulative net cash flow

One period corresponds to one month

H/W and S/W correspond to hardware and soft

Period 1 Building the website

Period 2 High-level development, revision, upgrades

Period 3 Final testing

Period 4 Trial period:NYUAD

Period 5 Final version release

Period 6 Purchase by and customizaiton for customer

Return on investment (ROI):

ROI=(Total Benefits - Total Costs)/Total Costs

ROI= (585-340)/340 0.7205882353 72.10%

Break-even point (BEP):

BEP = (Period.Net Cash Flow - Cumuative net cash flow) /Period.Net Cash Flow

BEP= (125-70)/70 0.7857142857 78.6%%

0.79*1*30=23.7 which approxiamtes to 24 days

So the project will take 4 months and 24 days.

Conclusion:

The ROI is high indicating a high return in capital gains for the new system. However, the BEP is also high, indicating less profitability for the product.

Efforts will be put in to decrease BEP through increased product costs and attracting smaller niches more specifically to their needs by tailoring our Study Buddy system.