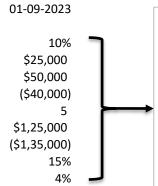
## **Economic Feasibility Analysis EASY ADVENTURE** START DATE: **Discount Rate Ongoing Benefits Ongoing Costs One Time Cost** Life of System Year 1 revenue Year 1 expense Revenue growth rate Expense growth rate



Discount Rate is 10% conside Ongoing benefits of \$25,000 income.

Ongoing costs encompass opapp.

One Time Cost of \$40,000 is I The Year 1 revenue estimate The Year 1 expenses \$135,00 The revenue growth rate of 1

\$2,769

(\$21,322)

\$14,498

(\$6,825)

		Υe	ears from Today	
Benefits	0	1	2	3
Net Econ Benefit	\$25,000	\$1,25,000	\$1,43,750	\$1,65,313
Discount Rate (12%)	1.0000	0.9091	0.8264	0.7513
PV of Benefits	\$25,000	\$1,13,636	\$1,18,802	\$1,24,202
NPV of Building New System	\$25,000	\$1,38,636	\$2,57,438	\$3,81,640
One-time COSTS	(\$40,000)			
Continue Maintaining Existing System Recurring Costs		(\$1,35,000)	(\$1,40,400)	(\$1,46,016)
Discount Rate (12%)	1.0000	0.9091	0.8264	0.7513
PV of Recurring Costs	\$0	(\$1,22,727)	(\$1,16,033)	(\$1,09,704)
NPV of All COSTS	(\$40,000)	(\$1,62,727)	(\$2,78,760)	(\$3,88,464)
Overall NPV				
ROI = Overall NPV / NPV of Costs				
Year of Project	0	1	2	3
Break-Even Analysis				

(\$15,000)

(\$15,000)

(\$9,091)

(\$24,091)

break-even ratio = (yearly NPV cash flow - overall NPV cash flow) / yearly NPV cash flow Break-even occurs in 3.26 *years* 

**Yearly NPV Cash Flow** 

**Overall NPV Cash Flow** 

Note: All dollar values have been rounded to the nearest dollar.

Breakeven ratio 0.26

ring our primary customer segment includes university students. could be derived from subscription revenue, partnerships, or in-app purchases and are based o

erational expenses such as server hosting, salaries, marketing, and maintenance, which are nec

ikely associated with the initial development, marketing campaigns, and setup of the business, is \$125,000, it's based on a combination of user growth, subscription income, partnerships, and 0, it includes both one-time and ongoing costs, as the startup is likely to have high initial expens .5% reflects an optimistic projection of increasing user adoption and income over the years, as t

4	5	TOTALS
\$1,90,109	\$2,18,626	
0.6830	0.6209	_
\$1,29,847	\$1,35,749	-
\$5,11,487	\$6,47,236	\$6,22,236

(\$1,51,857)	(\$1,57,931)	
0.6830	0.6209	
(\$1,03,720)	(\$98,063)	

(\$4,92,184) (\$5,90,247) (\$5,90,247)

\$31,989

5.42%

4	5
\$26,127	\$37,687
\$19.303	\$56.989

n an estimate of expected monthly or annual recurring essary for the day-to-day operation of the Easy Adventure and may not recur in subsequent years. I in-app purchases, reflecting early user adoption. ses related to development and marketing. The app gains popularity. The expenses growth rate of 4%