

Table 1

Year	Cash flows	PRESENT VALUE {cf*(1/1+r)^n}	DISCOUNT FACTOR 10%	CUMULATIVE	
0	(10000)		(1/1+r)^n		
1	3000	2727.27272727273	0.909090909090909	2727.27272727273	
2	3000	2479.33884297521	0.826446280991735	5206.61157024794	
3	4000	3005.25920360631	0.751314800901578	8211.87077385425	
4	4000	2732.05382146028	0.683013455365071	10943.9245953145	
5	5000	3104.60661529578	0.620921323059155	14048.5312106103	

Table 2

Outlay	10,000			
Discounted pbp		1788.12922614575		2732.05382146025
	3.65450000000001			

Cost of capital 15% = 0.15

Year	C flows	Discount value= 1/(1+0.15)^n	Present value = Cf x Dv	
0	(100)	1	-100	
1	34	0.869565217391304	29.5652173913043	
2	32.5	0.756143667296787	24.5746691871456	
3	31.37	0.657516232431988	20.6262842113915	
4	30.53	0.571753245593033	17.4556265879553	
5	79.9	0.49717673529829	39.7244211503334	
			31.9462185281301	