Acclet 212 Capital Decisions -- Part 6

Payback Method Example

Company:		Expected net cash inflows:	
Asset cost:	125,000	Year 1	15,000
Residual value:		Year 2	45,000
Useful life:		Year 3	40,000
Minimum RRR:		Year 4	35,000
Depreciation method:		Year 5	30,000
Income tax rate:		Year 6	25,000

Year	Cashflows	Unrecovered Cash