

Project Fuge 41

Year	NET CASH FLOW	Cumulative cash flow
0	(£200,000)	(£200,000)
1	£80,000	(£120,000)
2	£60,000	(£60,000)
3	£60,000	£0
4	£40,000	£40,000
5	£40,000	~~£80,000~~ £80,000

~~Payback of Fuge 41 =~~

Project Fuge 41 payback = 3 years exactly.

Project Centre 4

Year	NET CASH FLOW	Cumulative cash flow
0	(£200,000)	(£200,000)
1	£60,000	(£140,000)
2	£60,000	(£80,000)
3	£60,000	(£20,000)
4	£60,000	~~£40,000~~
5	£60,000	£100,000

Payback = 3 years and X months

$$£60,000 / 12 = £5,000$$

$$\text{month payback} = £ \overset{20,000}{\cancel{40,000}} / £5,000 = \overset{4}{\cancel{8}} \text{ months}$$

Project centre 4 payback = 3 years and ~~8~~⁴ months