

Joseph
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Management Innovation

Question 1

a) Supernatant

0	(200,000)
1	-180,000
2	-140,000
3	-80,000
→ 4	-20,000
→ 5	+140,000

Payback =

$$60,000 \div 12 = 5000$$

$$20,000 \div 5000 = 4$$

4 years 4 months

Fuge H1

0	(200,000)
1	-120,000
2	-60,000
→ 3	0
4	+40,000
5	+80,000

Payback =

3 years exactly

Centre H

0	(200,000)
1	-140,000
2	-80,000
→ 3	-20,000
→ 4	+60,000
5	+100,000

Payback =

$$60,000 \div 12 = 5000$$

$$20,000 \div 5000 = 4$$

3 years 4 months