Outdoor Sports is considering adding a miniature golf course to its facility. The course would cost $138,000, would be depreciated on a straight line basis over its 5-year life, and would have a zero salvage value. The estimated income from the golfing fees would be $72,000 a year with $24,000 of that amount being variable cost. The fixed cost would be $11,600. In addition, the firm anticipates an additional $14,000 in revenue from its existing facilities if the golf course is added. The project will require $3,000 of net working capital, which is recoverable at the end of the project. What is the net present value of this project at a discount rate of 12 percent and a tax rate of 34 percent?

$11,309

$11,628

$12,737

$14,439

$14,901

		1	2	3	4	5	
I	138						
D		27,6	27,6	27,6	27,6	27,6	
Income		72	72	72	72	72	
Cost		24	24	24	24	24	
Fix		11,6	11,6	11,6	11,6	11,6	
revenue							
kd		0,892857	0,797194	0,71178	0,635518	0,567427	
Income		24,024	24,024	24,024	24,024	24,024	
CF		51,624	51,624	51,624	51,624	51,624	
CFd		46,09286	41,15434	36,74494	32,80799	29,29284	48,09297