

A project has an initial requirement of \$261,000 for fixed assets and \$27,000 for net working capital. The fixed assets will be depreciated to a zero book value over the 4-year life of the project and have an estimated salvage value of \$78,000. All of the net working capital will be recouped at the end of the project. The annual operating cash flow is \$96,200 and the discount rate is 13 percent. What is the project's net present value if the tax rate is 35 percent?

\$42,011

\$43,333

\$45,799

\$47,880

\$47,919

	0	1	2	3	4
I	-288				
D		45,75	45,75	45,75	45,75
Recoup					27
OP CF		96,2	96,2	96,2	96,2
Income after tax		62,53	62,53	62,53	80,08
CF		108,28	108,28	108,28	125,83
kd	0,884956	0,783147	0,69305	0,613319	
CF d	95,82301	84,79912	75,04347	77,1739	44,8395