**Question #1:**

Consider a project that requires an initial investment of $50,000 in year 0. It has a duration of 4 years. For year 1 to year 4, the labor cost and materials cost are $10,000 per year and $5,000 per year, respectively. And the annual benefit is $25,000 from year 1 to year 4. The company has a DR value of 10%.

1. **What is the payback period for this project? If the company’s required maximum payback period is 2 years, should this project be accepted**

1. **Calculate the NPV for this project. Should this project be invested based on the NPV criterion?**
2. **Calculate the ROI for this project.**

**Question #2:**

**Using a discount factor of 8 percent, calculate the current value of an investment that is worth $20,000 two years from today.**

Question 3 :

A project manager wants to purchase a software tool that handle stakeholders’ meetings. He is comparing two software tools (MeetX and GroupMeet), but he couldn’t decide which one to select. So he decided to use weighted score model. The project Manager concerned about the following criteria:

* Cost
* Integration
* Ease of use

Project manager concerned about cost twice the integration and ease of use. The tools are evaluated as following

|  |  |  |
| --- | --- | --- |
| **Criteria** | **MeetX** | **GroupMeet** |
| **Cost** | 20000 | 15000 |
| **Integration** | Complex | Easy |
| **Ease of use** | Easy to use | Not user friendly |

**What software tool should the project manager select based on weighted score model?**