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Net Present Value (NPV):

It is a method used to determine the current value of all future cash flows generated by a project, including the initial capital investment by discounting it to the present value.

Internal Rate of Return (IRR):

It is a metric used in financial analysis to estimate the profitability of potential investments. IRR is a discount rate that makes the net present value (NPV) of all cash flows equal to zero in a discounted cash flow analysis.

Assumptions:

Under the future cashflow projections the following assumptions have been taken:

- The growth rate of the Participants remains the same
- No change in inflation
- No change in tax rate

Comments:

- As the Net Present Value (NPV) of the Universal Swap is more with the Alternium model the Swap should definitely go with Alternium.
- As the Business was making profit from the start of the reference year (2022) there is no negative cashflow
- Due to no negative cashflow the Internal Rate of Return (IRR) is tremendously high and should not be used for making comments.
- The Server was completely used in the year 2027 and hence cost added in the year taking inflation in consideration.
- In the Future Cashflow Projection, the server is projected to be completely utilized by year 2037 in Alternium model and 2041 in the Basic model and hence cost added in the respective years taking inflation to consideration.