FM AND EXCEL PROJECT
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ROLL NO. -38

All the working and back end calculations and aspects have been shown in the "income", "expenses" and "A3 working" sheet.

Analysis of Q1

- Cashflows are positive, both, with and without Alternium.
- Even if Alternium is taken into consideration, the growth of the company (cashflows) has not significantly increased.
- But, only cashflows is not the only method to judge whether a project is beneficial or not.

Analysis of Q2

- As WACC increases, NPV decreases and so does shareholder's wealth.
- IRR of the project is significantly high, so the project seems like an ideal investment.

Analysis of Q3

- Assumptions-
- Only cost increases by inflation rate after 10th year.
- International participants keep on growing till 20 years since a new server has been purchased recently.
- The project gives benefit till year 15 after which the cash flows become quite stable.
- We conclude that gradually, IRR and NPV increase, thus making Alternium an ideal and valuable project for Universal Swap.

Conclusion-

- In long term, the project will add significant growth to the company and will acquire stability after 15 years.
- Because of this stability, it can potentially be a less risky investments from the point of shareholders.
- In conclusion, Universal Swap should take the project into consideration owing to the factors listed above.