





























	Cash Flow				2/	3		
N (	Example: If you buy a printer in 1999 for \$300, maintain it for three years at a cost of \$20 per year, and then sell it for \$50, what are your cash flows for each year?							
NON	Ī	Year	Receipts	Disbursement	Cash Flow			
		1999	0	\$300	- \$300			
E E		2000	0	\$20	- \$20			
ING		2001	0	\$20	- \$20			
		2002	\$50	\$20	+ \$30			
BU	Its important to remember that all receipts and disbursements and thus cash flows are assumed to be end-of period amounts. Therefore, 1999 is the present (now) and 2002 is the end of year 3 <sub>t6</sub>							







The second second	
	Cash Flow Diagrams 3/6
	Cash Flow Diagrams Benefit
	<ul> <li>It helps to clarify one's viewpoint for economic analysis</li> </ul>
CONO	It requires a clear definition of the economic system
DING E	<ul> <li>It focuses attention on cash flow between the system and parties external to the system.</li> </ul>
	<ul> <li>It is an efficient and unequivocal method for communicating all cash flow information utilized in an economic analysis.</li> </ul>
	It reduces errors in interest computation analysis. 20































	Use	e of Interest Tables	1/8	
		Factor Name	Standard Notation	
BUILDING ECONOMY		Single-Payment Present Worth Factor	(P/F, i%, n)	
		Single-Payment Compound-Amount Factor	(F/P, i%, n)	
		Uniform Series Present Worth Factor	(P/A, i%, n)	
		Capital Recovery Factor	(A/P, i%, n)	
		Sinking Fund Factor	(A/F, i%, n)	
		Uniform-Series Compound Amount Factor	(F/A, i%, n)	















































