

TABLE 1

## Income Streams Over Time

t	Y (\$)	X (\$)	Y - X (\$)
0	100	1000	-900
1	50	900	-850
2	500	600	-100
3	700	500	200
4	1100	50	1050
5	1500	100	1400

TABLE 2

## Present Value Schedule

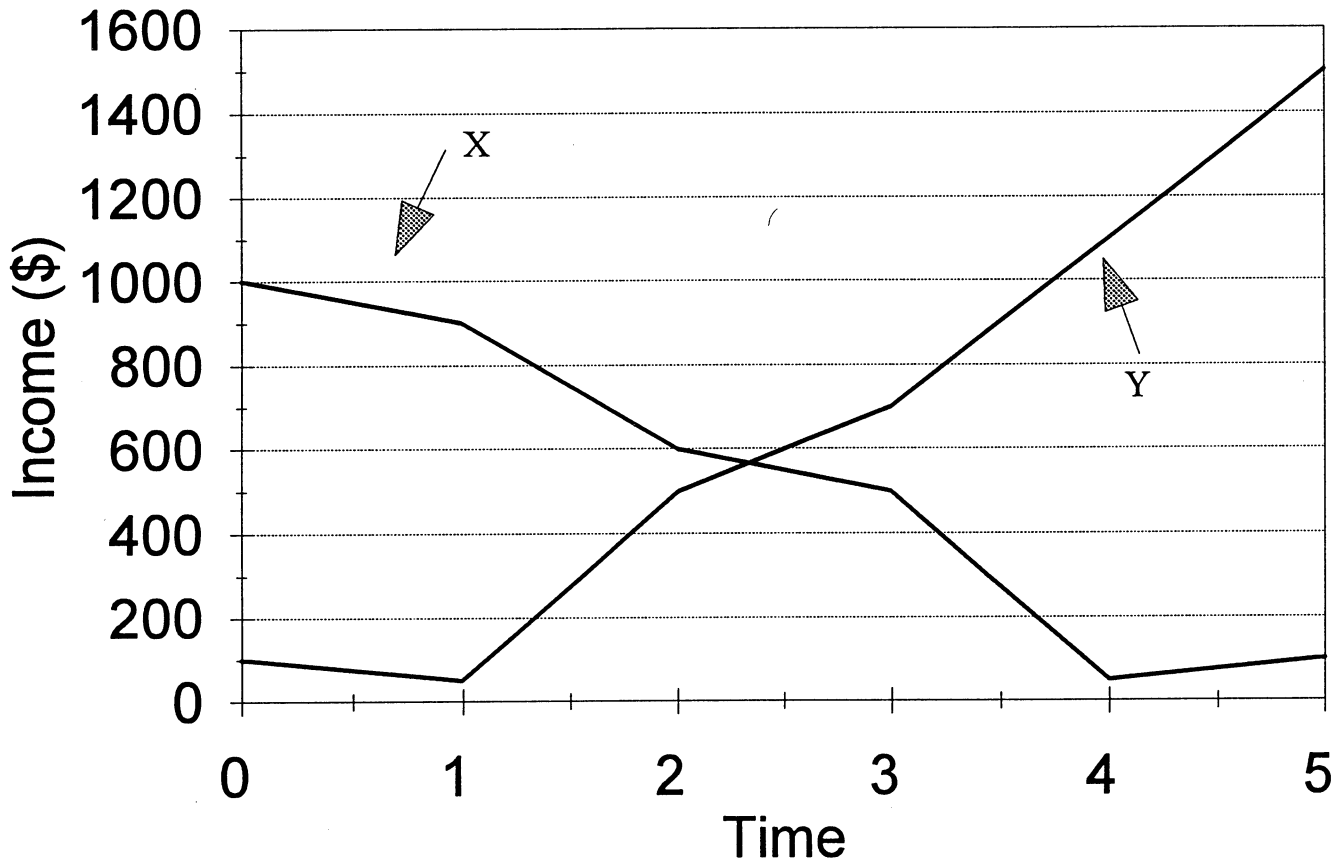
i	PV <sub>y</sub> (\$)	PV <sub>x</sub> (\$)	PV <sub>y</sub> -PV <sub>x</sub> (\$)
0.000	3950	3150	800
0.010	3803	3108	695
0.020	3664	3067	597
0.030	3532	3028	504
0.040	3406	2990	416
0.050	3286	2953	333
0.060	3172	2917	255
0.070	3064	2883	181
0.080	2960	2849	111
0.090	2861	2817	44
0.097	2795	2795	0
0.100	2767	2786	-19
0.110	2677	2756	-79
0.120	2592	2726	-134

TABLE 3

## Selected Present Value Calculations

t	i = 0.05			i = 0.097			i = 0.12		
	$\frac{Y_t}{(1+i)^t}$	$\frac{X_t}{(1+i)^t}$	$\frac{Y_t - X_t}{(1+i)^t}$	$\frac{Y_t}{(1+i)^t}$	$\frac{X_t}{(1+i)^t}$	$\frac{Y_t - X_t}{(1+i)^t}$	$\frac{Y_t}{(1+i)^t}$	$\frac{X_t}{(1+i)^t}$	$\frac{Y_t - X_t}{(1+i)^t}$
0	\$ 100	\$1000	-\$900	\$ 100	\$1000	-\$900	\$ 100	\$1000	-\$900
1	48	857	- 809	46	820	- 774	45	803	- 758
2	453	544	- 91	415	499	- 84	399	478	- 79
3	605	432	173	530	379	151	498	356	142
4	905	41	864	760	34	726	699	32	667
5	1175	79	1096	944	63	881	851	57	794
PV	\$3286	\$2953	\$ 333	\$2795	\$2795	\$ 0	\$2592	\$2726	-\$134

Income Streams Over Time



# Net Present Value

