



ISRA UNIVERSITY

Islamabad Campus

Department of Electrical Engineering

Program: B.E. (Electrical)

Semester – Spring 2016

HS-321 Engineering Economics & Management

Quiz – 1

Marks: 10

Handout Date: 04/04/2016

Question # 1:

XYZ limited spent 840k developing a new product. The money were spent in 1 year time. The product launched after the three years. It will sell for 1500 each. Sales are expected of 130, 180, 250, 450, 570 units after launch. The company can achieve an investment return of 15% on capital after inflation.

Calculate simple payback period and discounted cash flow payback period.