

Answer on Question #80346, Economics / Economics of Enterprise

Years	Land, \$	Design and construction,\$	Operation and maintenance,\$	Special maintenance,\$	Revenues,\$	Difference,\$
-	1000000					
1		300000				
2		300000				
3		300000				
4		300000				
5		300000				
6		300000				
7		300000				
8		300000				
9		300000				
10		300000				
11			900000		1000000	100000
12			900000		1000000	100000
13			900000	180000	1000000	-80000
14			900000		1000000	100000
15			900000		1000000	100000
16			900000	180000	1000000	-80000
17			900000		1000000	100000
18			900000		1000000	100000
19			900000	180000	1000000	-80000
20			900000		1000000	100000
21			900000		1000000	100000
22			900000	180000	1000000	-80000
23			900000		1000000	100000
24			900000		1000000	100000
25			900000	180000	1000000	-80000
26			900000		1000000	100000
27			900000		1000000	100000
28			900000	180000	1000000	-80000
29			900000		1000000	100000
30			900000		1000000	100000
31			900000	180000	1000000	-80000
	1000000	3000000	18900000	1260000	21000000	840000

Since the completion of the design and construction phase, cash flows for 21 years will yield a positive result - \$ 840,000.

Taking into account investing in the land of 1,000,000 \$ and in the construction of 3,000,000 \$, the result is negative $840000 - 1000000 - 3000000 = -3160000$ \$.

But the liquidation value of the plant covers such costs at any stage. 800000000 covers all available investments and costs.