

TABLE 6.3

**Discounted Cash Flows and NPV for
New Lab Project (in thousands of
dollars)**

Year	Cash Out	Cash In	Net Cash Flow	PV
0	(\$10,000)	\$0	(\$10,000)	(\$10,000)
1	(\$1,000)	\$3,000	\$2,000	\$1,905
2	(\$1,000)	\$3,000	\$2,000	\$1,815
3	(\$1,000)	\$3,000	\$2,000	\$1,728
4	(\$1,000)	\$3,000	\$2,000	\$1,646
5	(\$1,000)	\$3,000	\$2,000	\$1,568
NPV				(\$1,338)