

TABLE 18.3

# Discounted Future Cash Flows and LCC by Purchase Options

Description	Year	Car A		Car B	
		Amount	Present value	Amount	Present value
Purchase price	0	\$18,000	\$18,000	\$20,000	\$20,000
Gas and maintenance	1	\$1,000	\$962	\$817	\$785
Gas and maintenance	2	\$1,000	\$925	\$817	\$755
Gas and maintenance	3	\$1,000	\$889	\$817	\$726
Gas and maintenance	4	\$1,000	\$855	\$817	\$698
Resale value	4	\$5,000	\$4,274	\$7,000	\$5,984
LCC			\$17,356		\$16,981