

Weaknesses npv



Ranking investments by NPV doesn't compare absolute levels of investment. NPV looks at cash flows, not at profits and losses the way accounting systems do. NPV is highly sensitive to the discount percentage, and that can be tricky to determine. Unlike the more widely used payback period, NPV accounts for the time value of money by expressing future cash flows in terms of their value today. It recognizes that money has a cost (interest), so that you would prefer to have \$1.00 today to having \$1.00 a year from now.

If you earn 10% interest on your money, \$1.00 today will be worth \$1.10 a year from now. Or, turning that around, the "present" value of \$1.10 one year out is \$1.00. ROI "Return on investment" is often used as a generic term for any kind of measure that compares the financial costs and benefits of an action. But in finance, ROI, sometimes just called "rate of return," specifically refers to a percentage calculated by dividing the annual return from an investment by the initial amount of the investment. If you put \$100 into a savings account and have \$105 a year later, your ROI is 5%.

But it can be misleading if it uses a multiyear return instead of an annualized one, or if it is based on a year that is not typical of ongoing results.

DATABASES For many businesses, logging, warehousing and processing information about transactions is the lifeline of their corporate strategy and crucial to their profitability. Important records detailing a company's user history, product inventory and shipment tracking, supplier information, configuration settings, or any other necessary collections of information are most often stored in and retrieved from databases.

Databases provide a convenient means of storing vast amounts of information, allowing the information to be sorted, searched, viewed, and manipulated according to the business needs and goals. Many companies rely so heavily on the functions of databases that their daily business operations can not be executed if databases are unavailable, making database management and maintenance a vital component of their business models. The future of the databases in automation of databases by incorporating intelligent expert systems.

Databases - Databases do a good job of storing data and recounting data, but still often rely on a human observer or external program to make correlations and decisions on this data. The next frontier for the database has started, but is still in its infancy. Enhanced decision logic in the database There is a growing trend now to provide more sophisticated programming logic within the database structure. Initially databases only controlled what kind of data could be put in fields -- e. g.

if you defined a field as a Date Time type, it would cough if you tried to insert something other than a date. Then databases became more sophisticated and had features such as triggers, cascading update and delete which prevented updaters from creating inconsistencies between tables. Databases also developed a simplified procedural language that contained embedded SQL with some looping and control structures - e. g Sybase/SQL Server's transact SQL and Oracle's PL/SQL, Now databases are beginning to take on even more complex logic.

Oracle 10i touts the ability to write database procedures in Java, the new Microsoft SQL Server 2005 will support calling .NET assemblies and classes in the database. Importance of M-Commerce Selling a product or service If your products or services are information-based and relatively low cost - less than \$5 - then you could consider delivery direct to mobile devices, with payment via the micro-payment route. See the page in this guide on micro-payments. Read about Dutch Lady Strength and Weaknesses

If your products and services depend strongly on the physical presence of the customer and a significant amount of that volume could come from "passing trade" then you might consider the opportunities offered by location-based m-commerce. Improving productivity There are a much wider range of possibilities for improving productivity, for example: if you have workers who operate away from your offices much of the time, but who need up-to-date information in order to deliver an effective service, then an SMS-based system might be extremely useful if you have mobile workers who are gathering information that is time critical, e.

g. reports, photographs, etc, then the ability to capture that information and transmit it without needing any bulky equipment could be very significant.

Steps taken before building a system.

- Technical You check whether the proposed system is of user technicality scope and its side effects i. e. radiations.
- Operational Are the users able to use the system? Check also if the system can solve current problems.

- Schedule Come up with all the events to be carried out in building the new system and schedule the to be delivered at the estimated time. You ca use gahnt charts or PERT charts to estimate time.
- Legal and Contractual Check if the new system is within the legal requirements. It should not violate the government standards.
- Political The system should not act to operate in a political interest.
- Economic You check whether the proposed system suites the companies budget.