

MIS 3534 Strategic Management of Information Technology – Fall 2016

Homework #2 – ROI Analysis (7.5% of the Final Grade)

Due by Monday, November 21st, 11:59 PM EST

Read “B&K Distributors” case and, using Microsoft Excel, conduct a Return-on-Investment analysis.

- Use the Excel template file (created based on Exhibit 14A-D in the case) posted on the class site to calculate Net Present Value (NPV), Internal Rate of Return (IRR)
- Calculating payback period of this project is optional and for extra credits.
- Fill out right numbers on the blue cells of the template file and right formulas on the green cells. It will generate the total cumulative cash flow in Exhibit 14A. Then, use NPV and IRR functions to calculate them.
- All the necessary information can be found within the case.
- Conduct at least three sensitivity analyses with all of the following Excel functions – Scenario Manager and Data Table (one-variable and two-variable).

Submission Instruction (Read every instruction very carefully)

- **Due Date** : Submit your Excel file into Blackboard (<http://blackboard.temple.edu/>) by Monday, Nov. 21st, 11:59:59 PM (Eastern Standard Time). This deadline is firm, and being late by one minute will not be forgiven. The instructor will not take any extraneous circumstance into consideration that occurs to you such as PC malfunction or network outages.
- **Late submission** is allowed, but there will be 10% penalty per each 24 hours. For example, if you submit a report on Nov 24th and it is graded 80, a 30% penalty is imposed and you will get $80 \times (100-30)/100 = 56$. Therefore, your submission will be graded zero after Wednesday, Nov. 30.
- **No collaboration** is allowed in this assignment.
- **Plagiarism** : Plagiarizing other work without citation in any circumstance will result in zero in grade and will be reported to the University immediately