

1.1 Example of calculation of the maturity period

Input values:

- total investment value in CZK (variable: I): I = CZK 235.600
- Cash-Flow on 1,800 flowers sold in the online store in CZK (variable: CF): CF = 192.000

The maturity in years can be determined by the following procedure:

$$PP = \frac{I}{CF} = \frac{235.600}{192.000} = 1,227$$

The determined maturity is 1,227 years. In the second year, the system investment will be repaid in full from the realised profit.

The problem of the application of the PP calculations within business IT is, as in the previous example, the very problematic estimate of Cash-Flow. In our opinion, the Cash-Flow estimate is even more demanding than the estimate of profits. In fact, we must also estimate such matters, as payment discipline of customers, requirements for the repayment of liabilities of suppliers, etc.