

Pre-Feasibility Study

(Gaming Zone)



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Note: All SMEDA Services / information related to PM's Youth Business Loan are Free of Cost

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S M E D A

1. DISCLAIMER

This information memorandum is to introduce the subject matter and provide a general idea and information on the subject. Although, the material included in this document is based on data / information gathered from various reliable sources; however, it is based upon certain assumptions which may differ from case to case. The information has been provided on “as is where is” basis without any warranties or assertions as to the correctness or soundness thereof. Although, due care and diligence has been exercised to compile this document, the contained information may vary due to any change in any of the concerned factors, and the actual results may differ substantially from the presented information. SMEDA, its employees or agents do not assume any liability for any financial or other loss resulting from this memorandum in consequence of undertaking this activity. The contained information does not preclude any further professional advice. The prospective user of this memorandum is encouraged to carry out additional diligence and gather any information which is necessary for making an informed decision; including taking professional advice from a qualified consultant / technical expert before taking any decision to act upon the information.

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The logo for SMEDA, consisting of the letters S, M, E, D, and A in a large, white, serif font, set against a dark blue rectangular background. The letters are spaced out evenly across the background.

S M E D A

2. PURPOSE OF THE DOCUMENT

The objective of the pre-feasibility study is primarily to facilitate potential entrepreneurs in project identification for investment. The project pre-feasibility may form the basis of an important investment decision and in order to serve this objective, the document/study covers various aspects of project concept development, start-up, operations, marketing, finance and business management.

The purpose of this document is to facilitate potential investors in the **Gaming Zone** business by providing them with a general understanding of the business with the intention of supporting potential investors in crucial investment decisions.

The need to come up with pre-feasibility reports for undocumented or minimally documented sectors attains greater imminence as the research that precedes such reports reveal certain thumb rules; best practices developed by existing enterprises by trial and error, and certain industrial norms that become a guiding source regarding various aspects of business set-up and its successful management.

Apart from carefully studying the whole document one must consider critical aspects provided later on, which form the basis of investment decisions.

3. INTRODUCTION TO SMEDA

The Small and Medium Enterprises Development Authority (SMEDA) was established in October 1998 with an objective to provide fresh impetus to the economy through development of Small and Medium Enterprises (SMEs).

With a mission "to assist in employment generation and value addition to the national income, through development of the SME sector, by helping increase the number, scale and competitiveness of SMEs" , SMEDA has carried out 'sectoral research' to identify policy, access to finance, business development services, strategic initiatives, institutional collaboration and networking initiatives.

Preparation and dissemination of prefeasibility studies in key areas of investment has been a hallmark of SME facilitation by SMEDA.

Concurrent to the prefeasibility studies, a broad spectrum of business development services is also offered to the SMEs by SMEDA. These services include identification of experts and consultants and delivery of need based capacity building programs of different types in addition to business guidance through help desk services.

4. INTRODUCTION TO SCHEME

'Prime Minister's Youth Business Loan' program, for young entrepreneurs, with an allocated budget of Rs. 5.0 billion for the year 2013-14, is designed to provide

subsidised financing at 8% mark-up per annum for one hundred thousand (100,000) beneficiaries, through designated financial institutions, initially by the National Bank of Pakistan (NBP) and the First Women Bank Ltd. (FWBL).

Loans from Rs. 0.1 million to Rs. 2.0 million with tenure up to 8 years inclusive of 1 year grace period and a debt: equity of 90: 10 will be disbursed to SME beneficiaries across Pakistan, covering; Punjab, Sindh, Khyber Pakhtunkhwa, Balochistan, Gilgit Baltistan, Azad Jammu & Kashmir and Federally Administered Tribal Areas (FATA).

5. EXECUTIVE SUMMARY

Gaming Zone is proposed to comprise of 20 gaming stations and will operate for a period of 10 to 12 hours on daily basis. Proposed locations are Lahore, Islamabad, Karachi, Peshawar, Quetta & other cities with easy internet access.

Total cost estimate of the project is Rs. 2.16 Million with a fixed investment of Rs. 1.89 Million and a working capital of Rs. 0.27 Million.

Given the cost assumptions IRR and payback are 63% and 2.43 years, respectively.

The most critical considerations or factors for success of the project are location, environment, up-to-date games, technology and marketing.

6. BRIEF DESCRIPTION OF PROJECT & PRODUCT

- **Technology:** Up to date computer servers and games, networking equipment, gaming stations and trained staff.
- **Location:** Lahore, Islamabad, Karachi, Peshawar, Quetta & other cities with easy internet access.
- **Product:** Up to date games and online tournaments.
- **Target Market:** The project proposes to draw in local youngsters as the prime target market.
- **Employment Generation:** Direct employment to 5 people. Financial analysis shows the unit shall be profitable from the very first year of operation.

7. CRITICAL FACTORS IN DECISION MAKING

- Since computers and related equipment are proposed to be replaced after 3 years, therefore, it is assumed that with every purchase of equipment, debt will be required to finance the activity.
- Suitable location to attract maximum customers.
- Variety of games for every age group.
- Use of up-to-date gaming stations with latest equipment.

- Marketing and awareness.

8. INSTALLED & OPERATIONAL CAPACITIES

The pre-feasibility proposes twenty (20) computer stations / game stations.

9. GEOGRAPHICAL POTENTIAL FOR INVESTMENT

The project proposes a location with potential demand, availability of infrastructure and comparatively a populated area.

10. POTENTIAL TARGET MARKETS & CITIES

Potential cities are Karachi, Islamabad, Lahore, Peshawar & Quetta.

The project proposes youngsters (between ages 15 to 25 years) as the primary target market, however with the inclusion of tournaments the target market will widen.

11. PROJECT COST SUMMARY

A detailed financial model has been developed to analyze the commercial viability of Gaming Zone under the 'Prime Minister's Youth Business Loan' program. Various cost and revenue related assumptions along with results of the analysis are outlined in this section.

The projected Income Statement, Cash Flow Statement and Balance Sheet are attached as annexure.

11.1. PROJECT ECONOMICS

The project proposes twenty (20) computer stations/game stations. After the project's maturity and especially during the tournaments, the gaming zone could entertain a wider base as required. The following table shows internal rate of return and payback period.

Table 1: Project Economics

Description	Details
Internal Rate of Return (IRR)	63%
Payback Period (yrs)	2.43
Net Present Value (NPV)	(Rs)11,963,348

Returns on the scheme and its profitability are highly dependent on the environment therefore it is recommended to provide a pleasing experience to customers for latest and on demand LAN gaming, internet, refreshment services, etc.

11.2. PROJECT FINANCING

Following table provides details of the equity required and variables related to bank loan:

Table 2: Project Financing

Description	Details
Total Equity (10%)	Rs. 216,042
Bank Loan (90%)	Rs.1,944,379
Markup to the Borrower	8%
Tenure of the Loan (Years)	8
Grace Period (Year)	1

11.3. PROJECT COST

Following requirements have been identified for the proposed business.

Table 3: Project Cost

Capital Investment	Amount (Rs.)
Land	-
Building/Infrastructure	178,750
Machinery & Equipment	984,000
Furniture & Fixtures	420,750
Office Equipment	218,000
Pre Operating Cost	89,865
Total Capital Cost	1,891,365
Initial Working Capital	269,056
Total Project Cost	2,160,421

11.4. SPACE REQUIREMENT

Keeping in view the project potentials, the project is proposed to be established in a constructed area of approximately 1,225 sq.ft. The premises is to be acquired on rent, whereas, minor civil works are proposed to be as under:

Table 4: Space Requirement

Space Requirement (in ft.)	Rs/Sqft	Sqft	Amount (Rs.)
Office	150	50	7,500
Game Cubicles	150	1,000	150,000
Washroom	100	100	10,000
Refreshment Area	150	75	11,250
		1,225	178,750

11.5. MACHINERY & EQUIPMENT REQUIREMENT

Details of machinery & equipment required for the project are given below, it is to be noted that life of the equipment is proposed to be 3 years, after which the equipment is to be replaced:

Table 5.1: Machinery & Equipment

Description	Quantity	Cost (Rs./unit)	Total Rs.
Computer Server (Complete set)	1	100,000	100,000
Personal Computers	20	40,000	800,000
UPS	21	4,000	84,000
Total			984,000

Networking is an essential part of gaming zone. Keeping in view the requirement, Client-Server based networking is recommended. The key features of Client-Server based networking are as under:

- All data stored in one location
- Easier to backup and locate files and data
- Software and hardware optimized for multiple users
- One machine can secure entire network
- One central login
- Easy to add new resources

11.6. OFFICE EQUIPMENT REQUIREMENT

Details of the office equipment required for the project are given below:

Table 6: Office Equipment Detail

Description	Quantity	Cost Rs/unit	Total Rs.
Telephone	1	5,000	5,000
Networking	1	150,000	150,000
Lighting (tube lights)	21	3,000	63,000
Total			218,000

11.7. FURNITURE & FIXTURES REQUIREMENT

Furniture & fixtures requirement for the project is detailed as under:

Table 7: Furniture & Fixture Detail

Description	Unit	Cost Rs./Unit	Total (Rs.)
Chairs	32	2,460	78,750
Computer Tables	21	5,000	105,000
Wall Fans	21	2,000	42,000
Misc.	1	30,000	30,000
ACs	3	55,000	165,000
Total			420,750

11.8. HUMAN RESOURCE REQUIREMENT

Manpower required for operating the Gaming Zone Center is as follows:

Table 8: Human Resource Detail

Description	No. of Employees	Salary per employee per month (Rs)
Manager / Accounts & Admin Officer	1	50,000
Network Administrator	2	15,000
Helpers	1	10,000
Guard	1	10,000
Total	5	85,000

Staff salaries are estimated as per market trends, however, they may be set on different pay scales. Salaries of all employees are estimated to increase at 10% annually.

11.9. REVENUE GENERATION

The gaming zone is to carry 20 gaming stations; it is assumed that one game including lag time is to last for 3 hours thereby allowing 4 people to play per day on one gaming station. However, the project is to begin its operations with 60% capacity utilization building up over a period of ten years to 100% utilization. Revenue details for Year 1 are as follows:

Table 9: Revenue Detail

Capacity Year 1	Production Capacity	Revenue / Game (Rs.)	First Year Revenue (Rs)
15,360	25,600	220	3,379,200

11.10. OTHER COSTS

The primary overhead cost of the project would be utilities such as building rent, electricity, gas, water and fuel costs, keeping in mind the expenses for generator.

12. CONTACTS – SUPPLIERS, EXPERTS/CONSULTANTS

- Contact information of major key players can be accessed from the following links:

<http://warcraftpk.com/gaming-zones-in-pakistan.html>

<http://karachigamingzone.webs.com/>

- Links for the various tournaments are as under:

<http://www.pakdota.com/p/tournaments.html>

<http://www.neomatrixgaming.com/tourney.htm>

<http://www.pakgamers.com/>

<http://universalgamingarena.webs.com/>

<http://gaming-pk.blogspot.com/p/events.html>

- Sponsored Tournaments:

<http://teletimesinternational.com/asia/10117/ptcl%E2%80%99s-online-gamers%E2%80%99-league-tournament-receives-massive-response?lang=bn>

- D-Juice LAN Clan Championship:

www.djuicegaming.blogspot.com

- LAN Servers in Pakistan:

<http://www.ebloggy.net/2008/09/25/wateen-telecom-pakistans-online-counter-strike-game-servers-list.html>

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13. ANNEXURE

13.1. PROFIT & LOSS STATEMENT

Statement Summaries										SMEDA
Income Statement										Rs. in actuals
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue	3,379,200	4,336,640	5,451,776	6,746,573	8,245,811	9,070,392	9,977,432	10,975,175	12,072,692	13,279,961
Cost of goods sold	300,000	330,000	363,000	399,300	439,230	483,153	531,468	584,615	643,077	707,384
Gross Profit	3,079,200	4,006,640	5,088,776	6,347,273	7,806,581	8,587,239	9,445,963	10,390,560	11,429,616	12,572,577
<i>General administration & selling expenses</i>										
Administration expense	1,200,000	1,320,000	1,452,000	1,597,200	1,756,920	1,932,612	2,125,873	2,338,461	2,572,307	2,829,537
Rental expense	228,667	251,533	276,687	304,355	334,791	368,270	405,097	445,607	490,167	539,184
Utilities expense	720,000	792,000	871,200	958,320	1,054,152	1,159,567	1,275,524	1,403,076	1,543,384	1,697,722
Promotional expense	168,960	216,832	272,589	337,329	412,291	453,520	498,872	548,759	603,635	663,998
Depreciation expense	171,213	171,213	171,213	302,183	302,183	302,183	476,505	476,505	476,505	708,527
Amortization expense	17,973	17,973	17,973	17,973	17,973	-	-	-	-	-
Miscellaneous expense	60,000	66,000	72,600	79,860	87,846	96,631	106,294	116,923	128,615	141,477
Subtotal	2,566,812	2,835,551	3,134,261	3,597,220	3,966,155	4,312,782	4,888,164	5,329,330	5,814,612	6,580,445
Operating Income	512,388	1,171,089	1,954,515	2,750,053	3,840,426	4,274,457	4,557,799	5,061,230	5,615,003	5,992,132
Other income	-	-	-	-	-	-	-	-	-	-
Gain / (loss) on sale of assets	-	-	590,400	-	-	1,081,022	-	-	1,586,441	-
Earnings Before Interest & Taxes	512,388	1,171,089	2,544,915	2,750,053	3,840,426	5,355,479	4,557,799	5,061,230	7,201,444	5,992,132
Interest expense	161,382	147,747	129,826	110,417	89,398	66,634	41,980	15,281	-	-
Earnings Before Tax	351,005	1,023,342	2,415,089	2,639,635	3,751,028	5,288,846	4,515,819	5,045,949	7,201,444	5,992,132
Tax	-	-	-	-	123,128	233,288	261,235	291,612	324,542	360,762
NET PROFIT/(LOSS) AFTER TAX	351,005	1,023,342	2,415,089	2,639,635	3,627,900	5,055,558	4,254,584	4,754,338	6,876,902	5,631,370
Balance brought forward		351,005	1,374,347	3,789,436	6,429,071	10,056,971	15,112,529	19,367,113	24,121,451	30,998,353
Total profit available for appropriation	351,005	1,374,347	3,789,436	6,429,071	10,056,971	15,112,529	19,367,113	24,121,451	30,998,353	36,629,723
Dividend	-	-	-	-	-	-	-	-	-	-
Balance carried forward	351,005	1,374,347	3,789,436	6,429,071	10,056,971	15,112,529	19,367,113	24,121,451	30,998,353	36,629,723



13.2. BALANCE SHEET

Statement Summaries											SMEDA
Balance Sheet											
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	Rs. in actuals										
Assets											
<i>Current assets</i>											
Cash & Bank	40,389	557,713	1,352,699	1,902,743	4,181,894	7,195,125	9,631,629	13,513,235	17,613,873	21,436,421	27,663,985
Pre-paid annual land lease	228,667	251,533	276,687	304,355	334,791	368,270	405,097	445,607	490,167	539,184	-
Total Current Assets	269,056	809,246	1,629,386	2,207,098	4,516,684	7,563,395	10,036,726	13,958,841	18,104,040	21,975,605	27,663,985
<i>Fixed assets</i>											
Building/Infrastructure	178,750	169,813	160,875	151,938	143,000	134,063	125,125	116,188	107,250	98,313	89,375
Machinery & equipment	984,000	885,600	787,200	1,998,504	1,769,134	1,539,763	3,053,609	2,649,917	2,246,225	4,162,753	3,527,039
Furniture & fixtures	420,750	378,675	336,600	294,525	252,450	210,375	168,300	126,225	84,150	42,075	-
Educational Tools	218,000	196,200	174,400	152,600	130,800	109,000	87,200	65,400	43,600	21,800	-
Total Fixed Assets	1,801,500	1,630,288	1,459,075	2,597,567	2,295,384	1,993,201	3,434,234	2,957,729	2,481,225	4,324,941	3,616,414
<i>Intangible assets</i>											
Pre-operation costs	89,865	71,892	53,919	35,946	17,973	-	-	-	-	-	-
Legal, licensing, & training costs	-	-	-	-	-	-	-	-	-	-	-
Total Intangible Assets	89,865	71,892	53,919	35,946	17,973	-	-	-	-	-	-
TOTAL ASSETS	2,160,421	2,511,426	3,142,380	4,840,611	6,830,041	9,556,595	13,470,960	16,916,571	20,585,265	26,300,546	31,280,399
Liabilities & Shareholders' Equity											
<i>Current liabilities</i>											
Total Current Liabilities	-	-	-	-	-	-	-	-	-	-	-
<i>Other liabilities</i>											
Long term debt	1,944,379	1,944,379	1,728,460	1,494,620	1,241,372	967,103	670,071	348,385	-	-	-
Total Long Term Liabilities	1,944,379	1,944,379	1,728,460	1,494,620	1,241,372	967,103	670,071	348,385	-	-	-
<i>Shareholders' equity</i>											
Paid-up capital	216,042	216,042	216,042	216,042	216,042	216,042	216,042	216,042	216,042	216,042	216,042
Retained earnings	-	351,005	1,197,878	3,129,949	5,372,627	8,373,450	12,584,846	16,352,143	20,369,223	26,084,504	31,064,357
Total Equity	216,042	567,047	1,413,920	3,345,991	5,588,670	8,589,492	12,800,888	16,568,185	20,585,265	26,300,546	31,280,399
TOTAL CAPITAL AND LIABILITY	2,160,421	2,511,426	3,142,380	4,840,611	6,830,041	9,556,595	13,470,960	16,916,571	20,585,265	26,300,546	31,280,399
<i>Note: Total assets value will differ from project cost due to first installment of leases paid at the start of year 0</i>											



13.3. STATEMENT OF CASH FLOW

Statement Summaries											SMEDA
Cash Flow Statement											Rs. in actuals
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<i>Operating activities</i>											
Net profit	-	351,005	846,872	1,932,071	2,242,679	3,000,822	4,211,396	3,767,297	4,017,079	5,715,281	4,979,854
Add: depreciation expense	-	171,213	171,213	171,213	302,183	302,183	302,183	476,505	476,505	476,505	708,527
amortization expense	-	17,973	17,973	17,973	17,973	17,973	-	-	-	-	-
Deferred income tax	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-
Finished good inventory	-	-	-	-	-	-	-	-	-	-	-
Equipment inventory	-	-	-	-	-	-	-	-	-	-	-
Raw material inventory	-	-	-	-	-	-	-	-	-	-	-
Pre-paid building rent	-	-	-	-	-	-	-	-	-	-	-
Pre-paid lease interest	-	-	-	-	-	-	-	-	-	-	-
Advance insurance premium	-	-	-	-	-	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-
Cash provided by operations	-	540,191	1,036,058	2,121,257	2,562,835	3,320,978	4,513,579	4,243,801	4,493,584	6,191,786	5,688,380
<i>Financing activities</i>											
Change in long term debt	1,944,379	-	(215,919)	(233,840)	(253,249)	(274,268)	(297,032)	(321,686)	(348,385)	-	-
Change in short term debt	-	-	-	-	-	-	-	-	-	-	-
Change in export re-finance facility	-	-	-	-	-	-	-	-	-	-	-
Add: land lease expense	-	228,667	251,533	276,687	304,355	334,791	368,270	405,097	445,607	490,167	539,184
Land lease payment	(228,667)	(251,533)	(276,687)	(304,355)	(334,791)	(368,270)	(405,097)	(445,607)	(490,167)	(539,184)	-
Change in lease financing	-	-	-	-	-	-	-	-	-	-	-
Issuance of shares	216,042	-	-	-	-	-	-	-	-	-	-
Purchase of (treasury) shares	-	-	-	-	-	-	-	-	-	-	-
Cash provided by / (used for) financ	1,931,754	(22,867)	(241,072)	(261,509)	(283,684)	(307,747)	(333,859)	(362,195)	(392,946)	(49,017)	539,184
<i>Investing activities</i>											
Capital expenditure	(1,891,365)	-	-	(1,309,704)	-	-	(1,743,216)	-	-	(2,320,221)	-
Acquisitions	-	-	-	-	-	-	-	-	-	-	-
Cash (used for) / provided by invest	(1,891,365)	-	-	(1,309,704)	-	-	(1,743,216)	-	-	(2,320,221)	-
NET CASH	40,389	517,324	794,986	550,044	2,279,151	3,013,231	2,436,504	3,881,606	4,100,638	3,822,548	6,227,564
Cash balance brought forward		40,389	557,713	1,352,699	1,902,743	4,181,894	7,195,125	9,631,629	13,513,235	17,613,873	21,436,421
Cash available for appropriation	40,389	557,713	1,352,699	1,902,743	4,181,894	7,195,125	9,631,629	13,513,235	17,613,873	21,436,421	27,663,985
Dividend	-	-	-	-	-	-	-	-	-	-	-
Cash carried forward	40,389	557,713	1,352,699	1,902,743	4,181,894	7,195,125	9,631,629	13,513,235	17,613,873	21,436,421	27,663,985

SMEDA

13.4. USEFUL PROJECT MANAGEMENT TIPS

Technology

- **List of Machinery & Equipment**

1. Computer Server
2. Personal Computers
3. UPS

- **Energy Requirement:** Not to be overestimated or installed in excess and alternate source of energy for critical operations to be arranged in advance.
- **Machinery Suppliers:** Training and after sales services under the contract with the machinery suppliers.

Marketing

- **Ads & P.O.S. Promotion:** Business promotion and dissemination through banners and launch events is highly recommended. Product brochures from good quality service providers should be procured.
- **Sales:** Expert advice on sales techniques should be sought.
- **Price - Bulk Discounts, Cost plus Introductory Discounts:** During the introductory phase price may be lower and used as a promotional tool. Cost estimates should be carefully documented before price setting.

Human Resources

- **Adequacy & Competencies:** Skilled and experienced staff should be considered an investment to the extent of offering share in business profit.
- **Performance Based Remuneration:** Cost should be focused through performance measurement and performance based compensation.
- **Training & Skill Development:** Training and skill development of employees and exposure to best practices. Least cost options for Training and Skill Development (T&SD) may be linked with compensation benefits and awards.

13.5. USEFUL LINKS

- **Prime Minister's Office**
www.pmo.gov.pk
- **Small & Medium Enterprises Development Authority (SMEDA)**
www.smeda.org.pk

- **National Bank of Pakistan (SBP)**
www.nbp.com.pk
- **First Women Bank Limited (FWBL)**
www.fwbl.com.pk
- **Government of Pakistan**
www.pakistan.gov.pk
- **Ministry of Industries & Production**
www.moip.gov.pk
- **Ministry of Education, Training & Standards in Higher Education**
<http://moptt.gov.pk>
- **Government of Punjab**
www.punjab.gov.pk
- **Government of Sindh**
www.sindh.gov.pk
- **Government of Khyber Pakhtoonkhwa**
www.khyberpakhtunkhwa.gov.pk
- **Government of Balochistan**
www.balochistan.gov.pk
- **Government of Gilgit Baltistan**
www.gilgitbaltistan.gov.pk
- **Government of Azad Jamu Kashmir**
www.ajk.gov.pk
- **Trade Development Authority of Pakistan (TDAP)**
www.tdap.gov.pk
- **Security Commission of Pakistan (SECP)**
www.secp.gov.pk
- **Federation of Pakistan Chambers of Commerce and Industry (FPCCI)**
www.fpcci.com.pk
- **State Bank of Pakistan (SBP)**
www.sbp.org.pk

The logo for SMEDA (Small and Medium Enterprise Development Authority) is displayed in large, white, serif capital letters on a light blue rectangular background. The letters are spaced out and centered horizontally. The background of the entire page features a decorative pattern of small blue squares and a thick, light blue curved line that starts from the bottom left and curves upwards towards the right.

14. KEY ASSUMPTIONS

Project Capacity Assumption

Description	Details
Number of game stations	20
Assumed days of operation	320
Assumed hours of operation	12
Assumed capacity utilization in Year I	60%
Assumed growth in capacity utilization	10%
Maximum attainable capacity	100%

Revenue Assumptions

Description	Details
Charge/ game	Rs. 220
Charge growth rate / year	10%
CoGS (Internet)	Rs. 20,000
CoGS (Game CD)	Rs. 5,000

Economic Assumptions

Description	Details
Electricity	10%
Gas	10%
Water	10%
Salary	10%

Expense Assumptions

Description	Details
Electricity	50,000
Water	3,000
Gas	7,000
Promotional expense	5%
Machinery & equipment insurance rate	5%
Depreciation method	Straight line