

ECONOMICAL ASSESSMENT OF AN INVESTMENT RELATED TO THE ESTABLISHMENT OF A NEW FARROWING PLACE AND PIG-REARING BUILDING

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In our research work we aimed at carrying out an economical assessment of an investment and development of substantial volume. The examined project was completed at a pig-farm during which a new farrowing place and pig rearing building were built, as well as the renovation of the existing pig-farm. All of them were financed partly from the firm's own source, partly from a non-repayable aid granted by the state, and finally from a credit granted by a commercial bank. The term of the credit is 10 years and the return of the investment expected by the investors is 8%, so we carried out our calculations according to these data. We examined the three possible ways of financing the investment from the economical point of view, as a result we proposed three hypotheses. Our hypotheses are: Hypothesis 1 (Case „A”): The investment will be financially recovered within the examined period of 10 years if it is financed from the firm's own source, the state grant and the bank credit. Hypothesis 2 (Case „B”): The investment can be economically completed within the given period of time if the project meets the costs from the firm's own source and the credit. Hypothesis 3 (Case „C”): The investment will be economically accomplished within the examined 10 years provided the firm finances the project from their own source and the state grant. In our calculations we used the net present value (NPV), the internal rate of return (IRR), the payback time (PB), the discounted payback time (DPB) and the profitability index (PI) as economy indicators. We carried out our calculations regarding 10 years to be able to compare the results since the term of the granted credit is 10 years, too.

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