

# THE METHOD TO DETERMINE OPTIMAL MOMENT TO CHANGE USING EQUIPMENT

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## Abstract

There is described new method to determine optimal moment to change using equipment HA alternative one. The comparing alternatives have different costs, terms and periodical effects. The author suggests net cash flow models for investment decisions. There are analyzed two types such decisions: “to change the using equipment right now”, “to change the using equipment in other moment” and “to change the using equipment after finishing its operating life”. Wellknown methods are describes and criticized. A numerical examples are used to show the authors method. The new indicators: “the indicator of the speed of specific increment in value” is used in the method. IS includes NPV, terms and costs of investments.

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