ENGINUITY TUTORIAL

Industry Parameters

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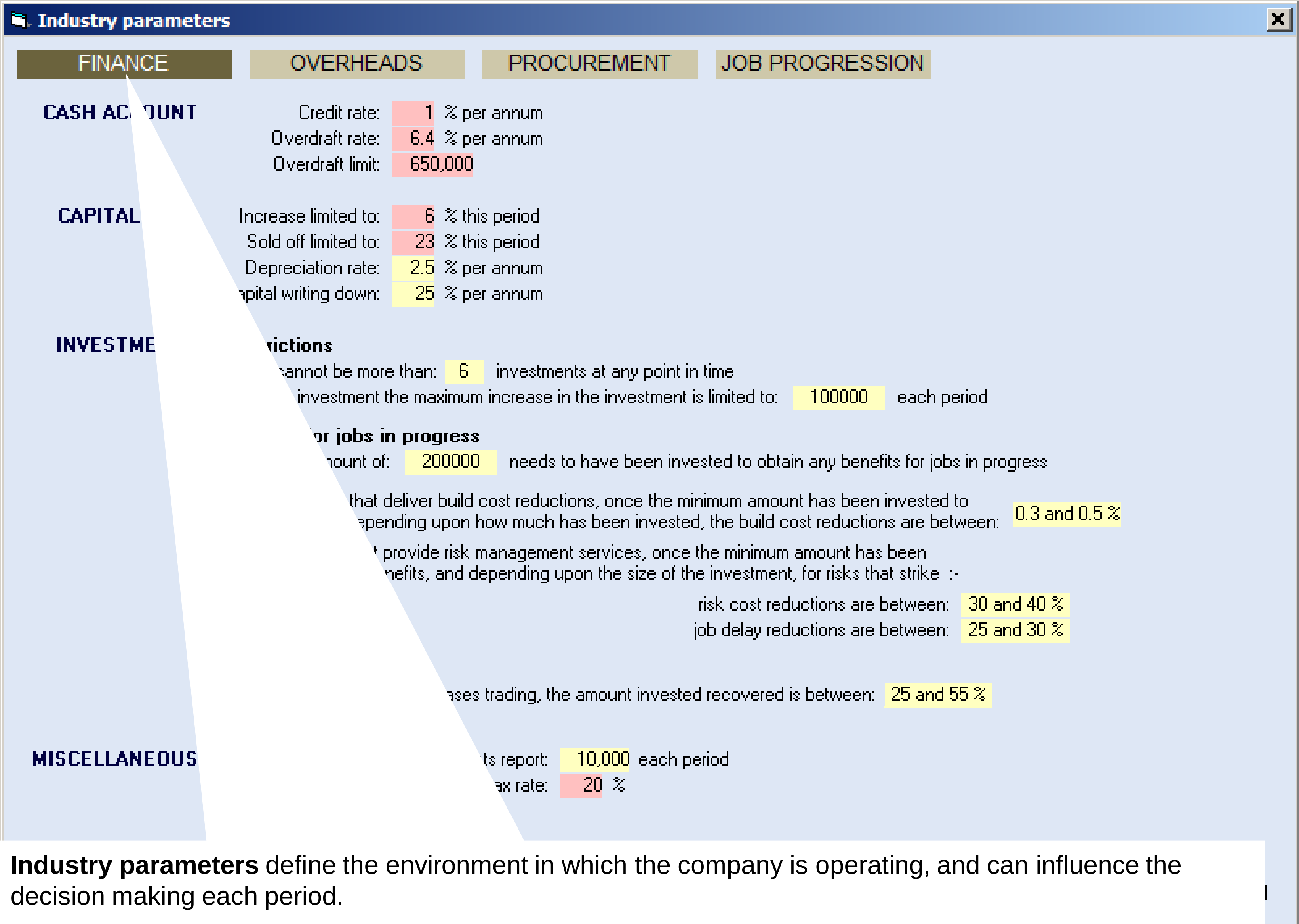

Industry parameters define the environment in which the company is operating, and can influence the decision making each period.

The parameters are organised into decision making areas.

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FINANCE | OVERHEADS | PROCUREMENT | JOB PROGRESSION

CASH ACCOUNT

Credit rate: 1 % per annum
Overdraft rate: 6.4 % per annum
Overdraft limit: 650,000

CAPITAL BASE

Increase limited to: 6 % this period
Sold off limited to: 23 % this period
Depreciation rate: 2.5 % per annum
Capital writing down: 25 % per annum

INVESTMENTS

Restrictions

There cannot be more than: 6 investments at any point in time
For each investment the maximum increase in the investment is limited to: 100000 each period

Benefits for jobs in progress

A minimum amount of: 200000 needs to have been invested to obtain any benefits for jobs in progress

For investments that deliver build cost reductions, once the minimum amount has been invested to obtain benefits, depending upon how much has been invested, the build cost reductions are between: 0.3 and 0.5 %

For investments that provide risk management services, once the minimum amount has been invested to obtain benefits, and depending upon the size of the investment, for risks that strike :-

risk cost reductions are between: 30 and 40 %
job delay reductions are between: 25 and 30 %

Cease trading

If an investment company ceases trading, the amount invested recovered is between: 25 and 55 %

MISCELLANEOUS

Cost of the management consultants report: 10,000 each period
Corporation tax rate: 20 %

Most of the parameters remain fixed each period (shown in yellow), but some can vary from period to period (shown in red), such as the prevalent tax rates.