

Economic Value Statement

v6.85.10.13 - MBAdvanced - MBA 5 Firms - Firm1 - Period 2018

Earnings

Net Operating Profit After Tax (excluding interest costs)	\$2,274,199
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Cost of Capital

Interest Charge	\$33,158	
Equity Charge	\$287,318	
CAPITAL CHARGE		\$320,476

ECONOMIC VALUE CREATED	\$1,953,723
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* Also known as 'Economic Value Added' or EVA.

This measure views the business as an investment which must produce a certain return on the capital invested in it. If it produces more than the required return, then the difference is the economic value created or added (EVA).