**6.** The following data pertain to an investment that is being considered by the management of Sublex Company:

|  |  |
| --- | --- |
| Discount rate | 10% |
| Life of the project | 5 years |
| Cost of the investment | $56,865 |
| Annual cost savings | 15,000 |
| Estimated salvage value | 3,000 |

What is the net present value of the proposed investment? Should the project be accepted? Why or why not?