

The Engineering Economist &gt;

A Journal Devoted to the Problems of Capital Investment

Volume 48, 2003 - Issue 1

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# TECHNICAL NOTE : THE VARIABLE FINANCIAL INDICATOR IRR AND THE CONSTANT ECONOMIC INDICATOR NPV

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Pages 69-78 | Published online: 31 May 2007

Cite this article <https://doi.org/10.1080/00137910308965052>

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## ABSTRACT

The IRR (internal rate of return) and the NPV (net present value) are the two most common and important indicators in investment decisions. These two indicators, however, have intrinsic differences between one another. The IRR is a financial indicator and the NPV an economic indicator of a capital investment. The former gives the private investor's point of view and the latter the society's point of view. The value of ERR v... the NPV, however... investment changes... erences and then... of IRR and NPV.

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