

Taco Truck Example 1 (Capital Recovery) UPDATED



Guillermo invests \$30,000 in a used food truck so he can sell tacos on the streets of Memphis. He estimates he can get 5 more years of use out of the truck.

How much annual net revenue does he need over that 5-year period in order to pay himself back and earn a 20% per year return on his \$30,000 investment?