**Cost Benefit Analysis**

**Name**

 **Course Title and Number**

**Professor’s Name**

**Date**

**Cost Benefit Analysis**

**Introduction**

Cost Benefit Analysis (CBA) in an important aspect during the acquisition of the computing components as it indicates the strengths and weakness that are expected from the purchase of the device. This approach therefore determines whether or not one should go on with the decision of acquisition of the computing machines. The analysis of the computer is done in regard to a number of issues such as the preventive maintenance over repair times and maximum operations of the device (Fletcher & Johnston, 2002). The study aims at accounting for the future benefits of utilizing the computing device over the costs incurred from the purchase to its utilization.

**Computer Purchase**

The cost benefit analysis is aimed at facilitating a decision on purchasing a new computer. The computer should be able to serve a wide range of applications including both commercial and personal use. The cost of the machine should therefore go hand in hand with the expected benefits of acquisition. The computing machine that I intend to purchase is the HP Spectre x360. The device is expected to be utilized for a minimum of three years.

The computer has recently been rated as among the top most best laptop as it meet most of the recent use requirement. It has a 7th generation performance in term of core I with an extra of 4 hours in battery life as compared to most of the previous models. It has been built under the consideration of portability aspect of computing therefore being designed in a significantly slim body (Norris, 2012).

**Costs**

The initial cost of acquiring the HP Spectre x360 is $1050 which has been indicated as it lowers starting point. Other costs that are expected to be incurred in the process of utilizing the machine for the period of the Three (3) years include the software cost, maintenance, upgrade, utility and power charges. The computer requires an installation of various programs that will be utilized in order to meet various user needs. However, the installation process will occur once in the life time of the computer unless a need to upgrade arises. The estimated cost of installing the application is about $70 maximum for the first time. This estimate assumes that the application is the original and complete versions.

For the period of the three years, other cost such as electricity charges per years will be dependent on how frequent the device is being use. However, it is estimated that a maximum of $60 will be utilized for the single device over the three years period. Cost of maintenance and upgrade for the period of the three years is expected to be around $40 for the period of the four years. The device will require an additional number of devices that will be accompanied to it in order to serve other purposes (Dehning& Richardson, 2002). These purposes including printing, teleconferencing and internet access capabilities.

**Benefits**

The use of the computing device is expected to bring about a wide range of benefits and applications that would otherwise not be associated assuming that the computer had not been utilized. The computer will be utilized for number of business activities meaning that the associated benefits may not be measured accurately and could only be estimated. All the calculations and record keep transactions will be done under the use of the computer (King &Schrems, 1978). It is also expected to be utilized in a number of business communications which an important aspect of the personal business process.

The computer system is also expected to play a major role in personal use such as entertainment. HP Spectre x360 provides unique graphic capabilities, speed and processing capabilities. The user is also able to learn about various issues online both personal and business under the use of the computer. It is therefore expected to keep the user informed on a wide range of World Wide issues especially those involving technological issues.

**Return on investment**

The purchase is intended as the computer is to be utilized for number of applications as outlined therefore implying that the acquisition will be of importance to the user. The gains associated with the use outweigh the costs of acquiring the computing machine.

**Conclusion**

Although the computer may appears expensive as compared to other computer with the same line of operations. The cost benefit analysis on this model shows a significantly higher dependency and reliability than other computers. The associated benefits are also significantly tremendous that the costs of acquisition and it would therefore be advisable to proceed with the acquisition of this machine.

**References**

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