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GLOSSARY OF TERMS

Capital Costs	-	Expenditures that typically result in the construction of a fixed asset that has a useful life of over one year.
Cost Breakdown	-	The CBS is a schematic tree shaped structure, in which all Structure (CBS) the costs and eventual benefits of the system are represented and the interdependence and timing is reflected. In other words it organizes the various components of life cycle costs and indicate their inter dependability (Veefkind, M, 2002).
Discount rate	-	The interest rate used to discount future cash flow to their present values. This represents the rate of return that could have been obtained by investing in a project with risks comparable to the project being considered.
Interest	-	The charge or cost of borrowing money, measured in terms of a percentage per annum of the principal amount.