

Software Valuation Report of
Software B

Valuation Date: 07 Feb 2024

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SUMMARY OF FINDINGS



ABCD Company



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07 Feb 2024

Software Summary

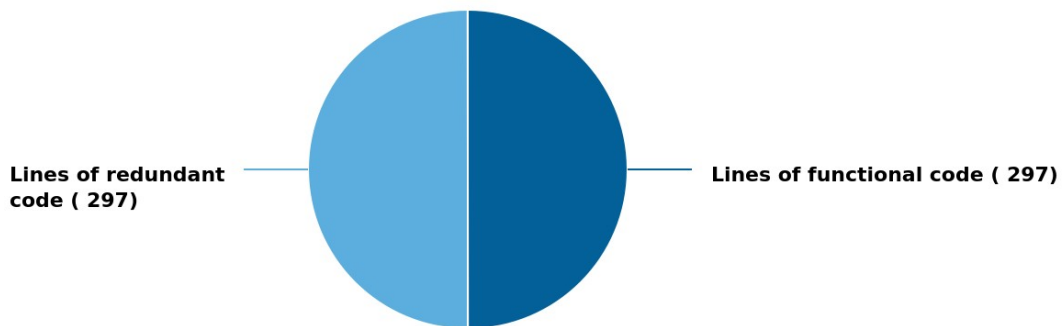
Software Valuation: **\$8,862,627**

Name of software: **Software B**

Average monthly salary of IT developer: **\$6,000**

Lines of code ('000): **330**

Obsolete / redundant code: **10%**

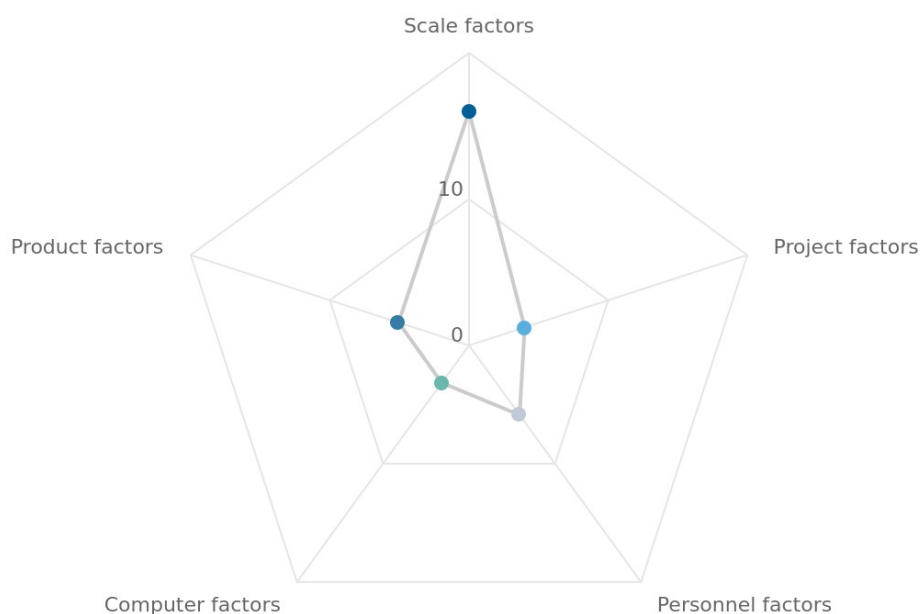


SOFTWARE VALUATION BY PART

The software valuation calculates the value of the software system as a whole or by the sum of each part. This is represented first by the total lines of code, and calculates the total person months required to reproduce the software. Then the average monthly salary of the IT developers is used to calculate the total value of the software.

Program Name	Software B
Lines of code ('000)	330
Total functional lines of code ('000)	297
Effort In Months	1,477
Average monthly salary of IT developers	\$6,000
Total Software Value	\$8,862,627

SUMMARY OF 5 FACTORS



Software Factors

The model used in the software valuation used five different factors to predict the total value of the software system, including: Product Factors, Computer Factors, Personnel Factors, Project Factors and Scale Factors. These factors contribute to calculating the total value of the software.

Product Factors: Product factors of the company ranks **5.06**

This consists of Required System Reliability, Database Size, Software System Complexity, Required Reusability and Documentation Match to Life-cycle Needs

Computer Factors: Computer factors of the company ranks **3.16**

This consists of Execution Time Constraint, Main Storage Constraint and Platform Volatility

Personnel Factors: Personnel factors of the company ranks **5.88**

This consists of Analyst Capability, Programmer Capability, Personnel Continuity, Applications Experience, Platform Experience and Language and Tool Experience

Project Factors: Project factors of the company ranks **4**

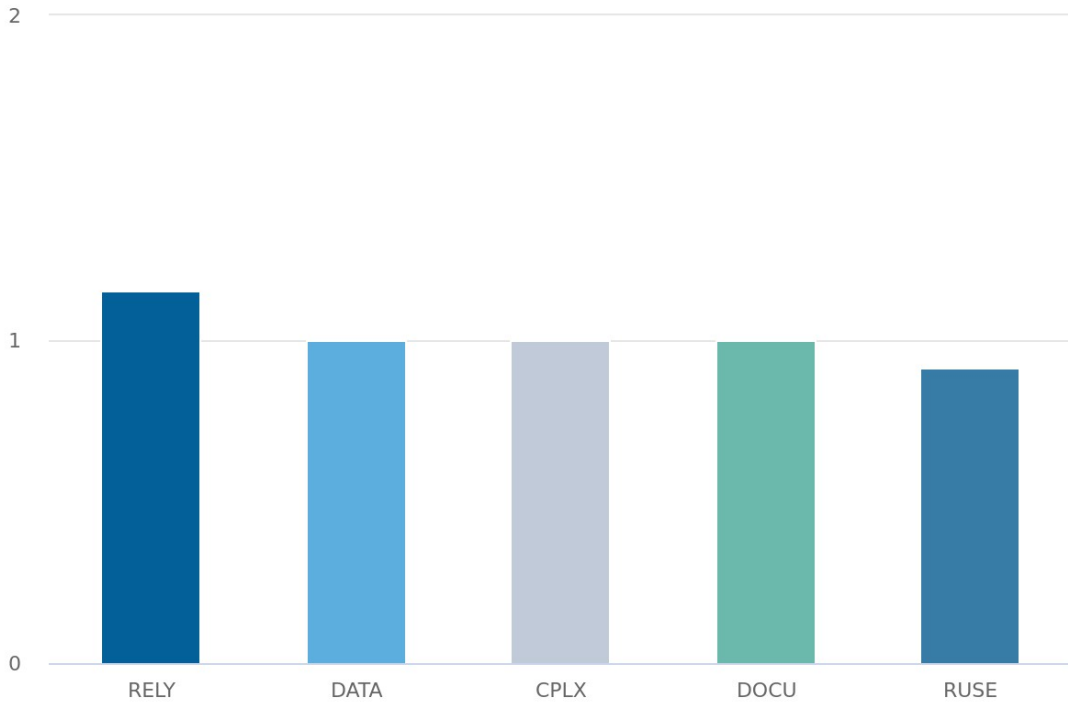
This consists of Use of Software Tools, Multi Site Development and Required Development Schedule.

Scale Factors: Scale factors of the company ranks **15.99**

This consists of Precedentedness, Development Flexibility, Architecture/Risk Resolution, Team Cohesion and Process Maturity.

PRODUCT FACTORS

Product factors account for variation in the effort required to develop software caused by characteristics of the product under development.



Parameters of each factor

Required System Reliability (RELY)

Nominal

Database Size (DATA)

The size of the database is **Nominal**.

Software System Complexity (CPLX)

The product complexity is **Nominal**.

Required Reusability (RUSE)

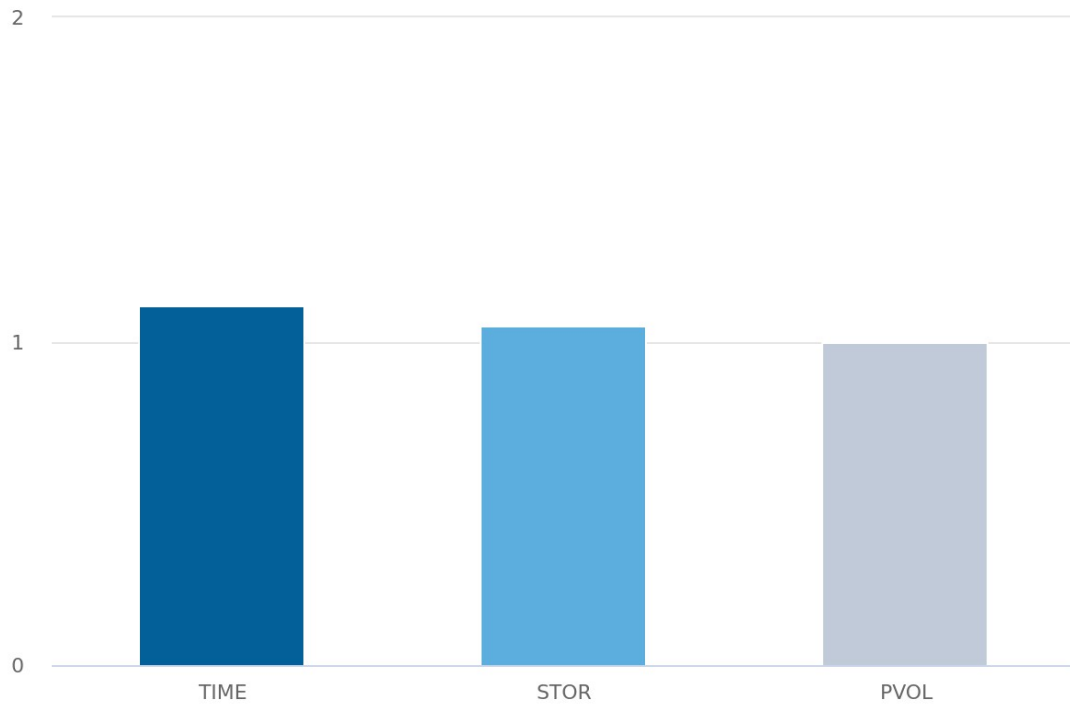
The required reusability of components is **Very High**.

Documentation Match to Life-cycle Needs (DOCU)

Low

COMPUTER FACTORS

The computer factors refers to the target-machine complexity of hardware and infrastructure software, and considers additional platform factors, for example distribution, parallelism, embeddedness, and real-time operations.



Parameters of each factor

Execution Time Constraint (TIME)

The execution time required by the system is **High**.

Main Storage Constraint (STOR)

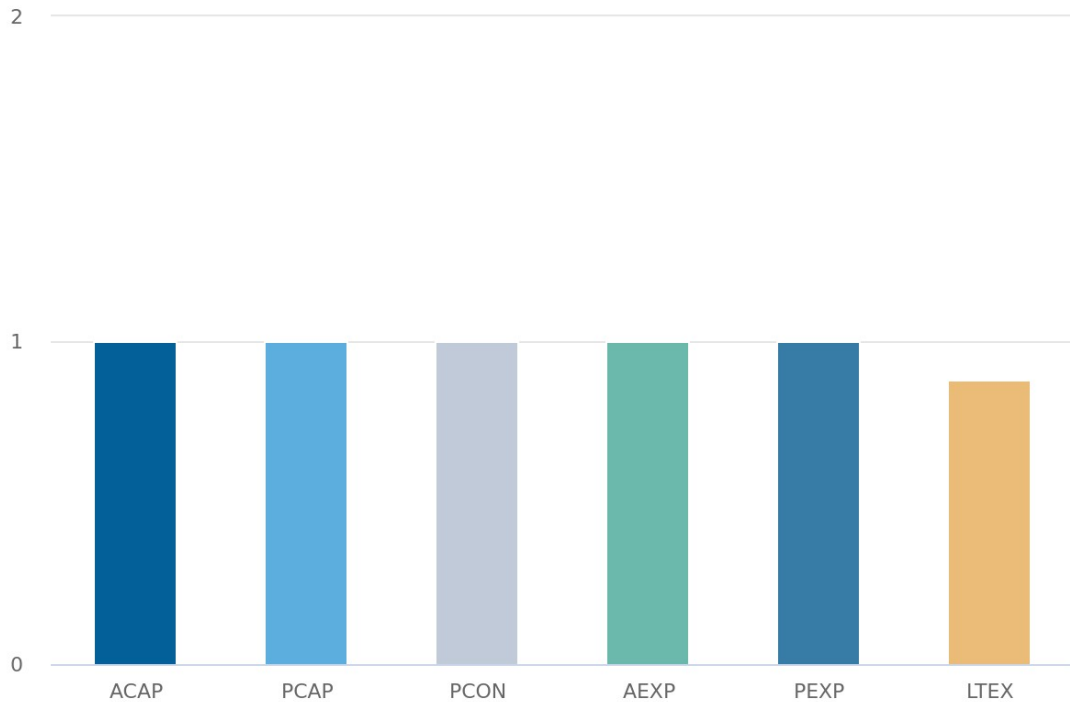
The storage required by the system is **High**.

Platform Volatility (PVOL)

The platform volatility is **Nominal**.

PERSONNEL FACTORS

Personnel factors have the strongest affect on effort required to develop software compared to other cost drivers. Personnel factors rank the development team’s capability and experience.



Parameters of each factor

Analyst Capability (ACAP)

The software analyst has **Nominal** in terms of analysis, design, efficiency, communication, and cooperation?

Programmer Capability (PCAP)

The software programmer has **Nominal** in terms of ability, efficiency, thoroughness, communication, and cooperation.

Personnel Continuity (PCON)

The annual turnover of the programming team is **Nominal**.

Applications Experience (AEXP)

The programming team has **High** year of experience with the software applications.

Platform Experience (PEXP)

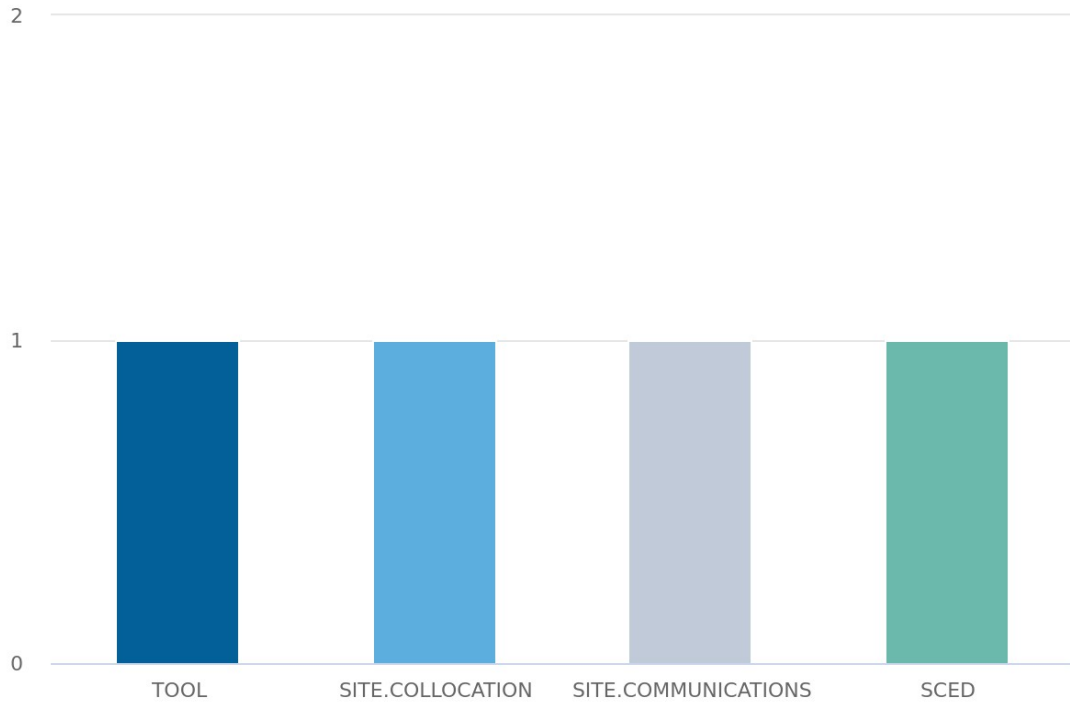
The programming team has **Nominal** years of experience with more complex and powerful software platforms.

Language and Tool Experience (LTEX)

The programming team have **Nominal** years of experience with the software programming language and software tools.

PROJECT FACTORS

Project factors account for influences on the estimated effort such as use of modern software tools, location of the development team, and compression of the project schedule.



Parameters of each factor

Use of Software Tools (TOOL)

The complexity of the software tools uses **Nominal**.

Multi Site Development Collocation (SITE: COLLOCATION)

The location of the programming and development team is **Nominal**.

Multi Site Development Communications (SITE: COMMUNICATIONS)

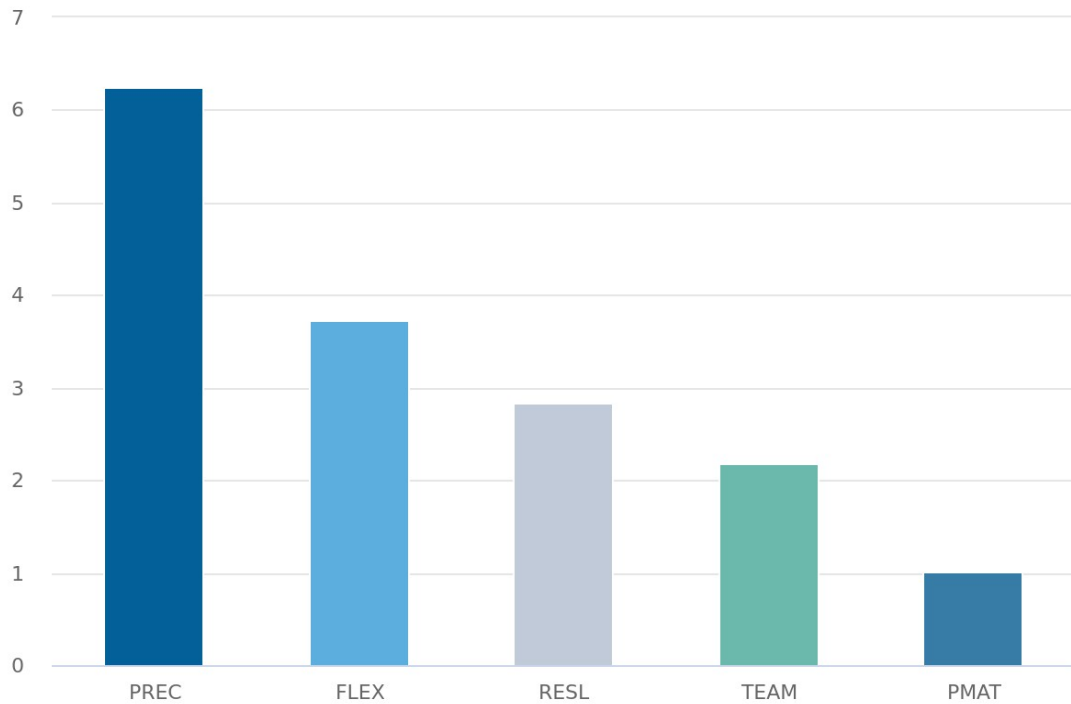
The most suitable method for communication between the programming team is **Nominal**.

Required Development Schedule (SCED)

The standard development schedule required for the project is **High**.

SCALE FACTORS

A project exhibits economies of scale if the exponent is less than one, ie. effort is not linear. The scale factors are based on the principle that they have a significant exponential effect on effort or productivity. The five scale factors are summed up and utilized to establish a figure for the scale exponent.



Parameters of each factor

Precedentedness (PREC)

The familiarity of the software system and product objective are **Nominal** among the team.

Development Flexibility (FLEX)

The flexibility of the software development and conformance is **Very High**.

Architecture/Risk Resolution (RESL)

The architecture and risk resolution is **High**.

Team Cohesion (TEAM)

The cohesion among the software team is **High**.

Process Maturity (PMAT)

The process maturity of the development process includes **Low**.

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