

# [In excel:](https://assignbuster.com/in-excel/)

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My Business and Number of Answer Report For any business to realize an increase in profits at the end of a given duration, quite a number of factors can be varied. Two parameters were chosen for this business model and that is: sales and cost of sales while maintaining all the other factors constant, e. g. those relating to customers. To do this, a spreadsheet named “ Profit Analyzer” was created that projects the expected profits depending on how these two chosen parameters are expected to vary quarterly i. e. their percentage rate of increase or decrease (Ken Kaufaman, 2010). When a percentage rate of change is entered under the “ Variations” column for either of the two parameters, say 105% if sales are projected to increase at a rate of 5% every quarter and 96% if the cost of sale is projected to reduce at 4% each quarter, the spreadsheet computes the effects of these projections for all the quarters as well the total and the average yearly profits. Using the spreadsheet therefore, it shows that one way of achieving 30% profit by the fourth quarter is by increasing sales at a rate of 6% quarterly and reducing the cost of sales by 1% quarterly. This gives 30. 7% profit increase by the fourth quarter as outlined in the table below.   
Profits Analyzer   
  
QUARTER 1   
VARIATIONS (based on % projected changes)   
QUARTER 2   
QUARTER 3   
QUARTER 4   
TOTAL   
AVERAGE   
Customers   
230   
500   
600   
750   
2080   
520   
Sales   
24500   
106. 0%   
25970   
27528. 2   
29179. 892   
107178. 09   
26794. 523   
Cost of sales   
23000   
99. 0%   
22770   
22542. 3   
22316. 877   
90629. 177   
22657. 29425   
Profits   
1500   
3200   
4985. 9   
6863. 015   
16548. 915   
4137. 22875   
%age profits   
6. 52173913   
  
14. 05357927   
22. 11797376   
30. 75257797   
73. 44587   
18. 36146753   
(See attached “ my-business. xlsx” file for the actual spreadsheet)   
Summary Report   
The effect of quarterly increase in profits at a rate of 5%, 10%, and 15% on the total yearly profits would be as outlined in the table below:   
  
  
Quarter 1   
Scenario 1 (5%)   
Scenario 2 (10%)   
Scenario 3 (15%)   
Total Yearly Profits   
6. 521739   
28. 10951   
30. 267391   
32. 565488   
  
(See attached “ my-business. xlsx” file for more detailed analysis of the three scenarios)   
References   
Ken Kaufaman. (2010, March 25). How To Make Projections That Actually Mean Something. Retrieved 2013, from Business Insider : http://www. businessinsider. com/how-to-make-projections-that-actually-mean-something-2010-3? op= 1