

# In excel:

[Finance](#)



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BUSTER**

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

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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

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32. 565488

(See attached " my-business. xlsx" file for more detailed analysis of the three scenarios)

#### References

Ken Kaufman. (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>