

IFS 104 Homework #4

Complete each problem by designing a spreadsheet in Excel.

From our text, complete the following problems:

1. AYK 1 Monthly Loan Payment on page 296. You can start with the data disk file on this one.
2. ITL 3 Internet Bank on page 302

And my home-cooked problems:

3. Fred and Ethel are saving to buy a chalet in the south of France. They believe that if they can save up \$40,000 over the next 5 years, they'll be set.
 - a) The couple figures that they can save \$450 a month. Their investment advisor predicts an investment return of 7% on these savings. Will this get them to their goal of saving \$40,000 over 5 years? Hint: This may involve using the dreaded FV function.
 - b) OK, so Fred and Ethel have to save more to reach their goal. What is the monthly savings the couple will need to reach the \$40,000 goal they seek?
 - c) Protect your worksheet, leaving the input cells unlocked.
4. The cachet of our Actually, I Don't Inc. stores may be waning. I'm not even sure that we're making money at this point. Please calculate how many pairs of blue jeans we need to sell to break-even (our break-even point). Here is your data:
 - Fixed expenses = \$7,000,000
 - Price per pants = \$60
 - Expense per pants = \$16

The break-even point can be found using the following formula:

$$\text{Break-even point} = \text{Fixed expense} / (\text{Price per unit} - \text{Expenses per unit})$$

For your worksheet:

- a) Enter the data and formula into your worksheet. How many pairs of jeans do we have to sell to break even?
 - b) Then, create a data table showing the break-even point as the price for our jeans varies from \$50 to \$100 at \$5 increments.
5. Please show how you might setup a checking account ledger on Excel. I would start by looking at your checkbook and see how it's setup. With your worksheet in place, do a couple pretend transactions:
 - Write some checks,
 - Deposit some money,
 - Withdraw some money from an ATM, and
 - Reconcile or balance the account