

IFS 104 Homework #3

Use the concepts and examples of **Chapter 3** as your guide.
Save all your files in the homework03 folder on your k: drive.

1. Complete “In the Lab 2 Casa Grande” on page 215. Hey, this isn’t as bad as it looks. Peek at the resulting spreadsheet on page 216 and make it. If you can do that without following the step-by-step instructions, then that’s great. If you need the step-by-step help, then use it.
2. Complete “Cases & Places 2 Vashon’s IT Hardware & Services” on page 222. Save that last what-if part to a different workbook file.
3. My buddy Marty Sallin owns “Open Water Scuba” (OWS) shops in the Bahamas. Well, Marty is planning his business for the next year, and he needs your help.

The projected 2007 revenue in OWS two main businesses (Scuba gear sales and Guided Tours) is shown below:

| | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|------------------|-----------|-----------|-----------|-----------|
| Scuba gear sales | \$720,695 | \$892,100 | \$752,000 | \$706,900 |
| Guided Tours | \$602,390 | \$621,030 | \$807,916 | \$620,500 |

Let’s assume a fixed percentage of the total revenue will be spent on marketing, payroll, supplies, and administrative expenses. Also, there is a bonus of \$50,000 paid to the sales staff in any quarter where the total revenue exceeds \$1,300,000. Our estimated expense percentages are:

- Marketing = 21.50%
- Payroll = 30.45%
- Supplies = 11.00%
- Administrative = 7.90%
- Bonus = \$50,000
- Revenue for bonus = \$1,300,000

Create a worksheet to calculate net income and analyze this situation. Hint: the main chapter 3 example on page 147 is a good starting place.

When you’re done, save your workbook. “What-if” marketing expenses were reduced by 3.50% and payroll was slashed by 4%. Try these and save your results to a different file.

4. As a side business to the teaching gig, I sell collector's edition Lego sets on Ebay. Hey, don't laugh... there's a lot of money in those Star Wars Lego sets. I'd like to buy one of those fast, new Subaru Imprezas (the STI Limited edition, yow!). So, I'm planning out the next 6 months of my little venture.

I expects the next six months of sales to look like this: January \$14,200; February \$17,560; March \$28,560; April \$30,012; May \$41,098; and June \$30,750.

Expenses, you ask? Well, each month I plan on spending 13.5% of revenue on material, 24.0% on rent, 7.5% on computers, 17.0% on power, and 8.0% on miscellaneous items.

Enter this data into a worksheet and calculate my net income for each month. If my business makes more than \$5,000 in a month, then I'll add 30% of the profits to my Subaru savings account. If profits dip below \$5,000, then I won't pull any money out for the new Subaru. Get it? So, complete the worksheet with Subaru savings for each month and totals for everything over the 6 month period.

Save your workbook.

If my **goal** is to save \$20,000 over the 6 month period, what percentage will rent have to be? Save this to separate workbook.

5. **Web special** – Save any of the workbooks above as a web page (Hint: Excel does a cool job saving pie charts). We did this in homework #1, as you'll recall. When you save the web page, however, save it to a file on your w: drive. That's where your North Central College web site will reside.

Once you've saved your web page, proceed to my directions on creating your own web page. Make a link to your worksheet and tell me a story about it... making it as fun as you can, of course. The directions are one of my "dry technical notes" at:

william.krieger.faculty.noctrl.edu/dry_technical_notes/index.htm