

Business Plan Workbook

Enter inputs in colored cells	Period 0	Period 1	Period 2	Period 3	Period 4
<i>...balance sheet inputs...</i>					
Cash & Equivalents	15,000				
Yield on Cash & Equivalents		10.00%	10.00%	10.00%	10.00%
Accounts Receivable	10,000				
# Periods of Sales in A/R		0.08	0.08	0.08	0.08
Inventory	10,000				
Inventory Purchased/Produced		55,000	65,000	55,000	65,000
Other Current Assets	5,000				
Chgs in Other Current Assets		100	-100	100	-100
Plant, Property, & Equipment	75,000				
Chgs in P,P,& E		0	0	0	0
Accumulated Depreciation	15,000				
Chgs in Accum. Depreciation		3,750	3,750	3,750	3,750
Other Noncurrent Assets	5,000				
Chgs in Other Noncurrent Assets		100	-100	100	-100
Accounts Payable	10,000				
# Periods Cost of Sales in A/P		0.08	0.08	0.08	0.08
Accrued Expenses	7,500				
# Periods Operating Expenses in A/E		0.04	0.04	0.04	0.04
Other Current Liabilities	7,500				
Chgs in Other Current Liabilities		100	-100	100	-100
Long-Term Liabilities	35,000				
Chgs in Long-Term Liabilities		0	0	0	0
Other Noncurrent Liabilities	4,000				
Chgs in Other Noncurrent Liabilities		100	-100	100	-100
Owner Equity	41,000				
Chgs in Owner Equity		-25,000	-25,000	-25,000	-25,000
<i>...profit and loss statement inputs...</i>					
Sales Revenue		120,000	120,000	120,000	120,000
Cost of Sales		60,000	60,000	60,000	60,000
Cost Center 1 Costs		5,000	5,000	5,000	5,000
Cost Center 2 Costs		5,000	5,000	5,000	5,000
Cost Center 3 Costs		5,000	5,000	5,000	5,000
Interest Expense		3,500	3,500	3,500	3,500
Marginal Income Tax Rate		33%	33%	33%	33%

Balance Sheet	Period 0	Period 1	Period 2	Period 3	Period 4
Assets					
Current Assets					
Cash & Equivalents	\$15,000	\$15,685	\$18,291	\$31,071	\$34,708
Accounts Receivable	10,000	10,000	10,000	10,000	10,000
Inventory	10,000	5,000	10,000	5,000	10,000
Other Current Assets	5,000	5,100	5,000	5,100	5,000
Total Current Assets	40,000	35,785	43,291	51,171	59,708
Plant, Property, & Equipment	75,000	75,000	75,000	75,000	75,000
Less: Accumulated Depreciation	(15,000)	(18,750)	(22,500)	(26,250)	(30,000)
Net Plant, Property, & Equipment	60,000	56,250	52,500	48,750	45,000
Other Noncurrent Assets	5,000	5,100	5,000	5,100	5,000
Total Assets	\$105,000	\$97,135	\$100,791	\$105,021	\$109,708
Liabilities					
Current Liabilities					
Accounts Payable	\$10,000	\$5,000	\$5,000	\$5,000	\$5,000
Accrued Expenses	7,500	625	625	625	625
Other Current Liabilities	7,500	7,600	7,500	7,600	7,500
Total Current Liabilities	25,000	13,225	13,125	13,225	13,125
Noncurrent Liabilities					
Long-Term Liabilities	35,000	35,000	35,000	35,000	35,000
Other Noncurrent Liabilities	4,000	4,100	4,000	4,100	4,000
Total Noncurrent Liabilities	39,000	39,100	39,000	39,100	39,000
Owner Equity	41,000	44,810	48,666	52,696	57,583
Total Liabilities and Owner Equity	\$105,000	\$97,135	\$100,791	\$105,021	\$109,708

Common Size Balance Sheet	Period 0	Period 1	Period 2	Period 3	Period 4
Assets					
Current Assets					
Cash & Equivalents	14.29%	16.15%	18.15%	29.59%	31.64%
Accounts Receivable	9.52%	10.29%	9.92%	9.52%	9.12%
Inventory	9.52%	5.15%	9.92%	4.76%	9.12%
Other Current Assets	4.76%	5.25%	4.96%	4.86%	4.56%
Total Current Assets	38.10%	36.84%	42.95%	48.72%	54.42%
Plant, Property, & Equipment	71.43%	77.21%	74.41%	71.41%	68.36%
Less: Accumulated Depreciation	-14.29%	-19.30%	-22.32%	-24.99%	-27.35%
Net Plant, Property, & Equipment	57.14%	57.91%	52.09%	46.42%	41.02%
Other Noncurrent Assets	4.76%	5.25%	4.96%	4.86%	4.56%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%
Liabilities					
Current Liabilities					
Accounts Payable	9.52%	5.15%	4.96%	4.76%	4.56%
Accrued Expenses	7.14%	0.64%	0.62%	0.60%	0.57%
Other Current Liabilities	7.14%	7.82%	7.44%	7.24%	6.84%
Total Current Liabilities	23.81%	13.62%	13.02%	12.59%	11.96%
Noncurrent Liabilities					
Long-Term Liabilities	33.33%	36.03%	34.73%	33.33%	31.90%
Other Noncurrent Liabilities	3.81%	4.22%	3.97%	3.90%	3.65%
Total Noncurrent Liabilities	37.14%	40.25%	38.69%	37.23%	35.55%
Owner Equity	39.05%	46.13%	48.28%	50.18%	52.49%
Total Liabilities and Owner Equity	100.00%	100.00%	100.00%	100.00%	100.00%

<i>Income Statement</i>	Period 1	Period 2	Period 3	Period 4
Sales Revenue	\$120,000	\$120,000	\$120,000	\$120,000
Less: Cost of Sales	(60,000)	(60,000)	(60,000)	(60,000)
Gross Margin	60,000	60,000	60,000	60,000
Operating Expenses				
Cost Center 1	5,000	5,000	5,000	5,000
Cost Center 2	5,000	5,000	5,000	5,000
Cost Center 3	5,000	5,000	5,000	5,000
Total Operating Expenses	15,000	15,000	15,000	15,000
Operating Income	45,000	45,000	45,000	45,000
Interest Income	1,500	1,569	1,829	3,107
Interest Expense	3,500	3,500	3,500	3,500
Net Income (Loss) Before Taxes	43,000	43,069	43,329	44,607
Income Tax Expenses (Savings)	14,190	14,213	14,299	14,720
Net Income (Loss) After Taxes	\$28,810	\$28,856	\$29,030	\$29,887

<i>Common Size Income Statement</i>				
Sales Revenue	100.00%	100.00%	100.00%	100.00%
Less: Cost of Sales	-50.00%	-50.00%	-50.00%	-50.00%
Gross Margin	50.00%	50.00%	50.00%	50.00%
Operating Expenses				
Cost Center 1	4.17%	4.17%	4.17%	4.17%
Cost Center 2	4.17%	4.17%	4.17%	4.17%
Cost Center 3	4.17%	4.17%	4.17%	4.17%
Total Operating Expenses	12.50%	12.50%	12.50%	12.50%
Operating Income	37.50%	37.50%	37.50%	37.50%
Interest Income	1.25%	1.31%	1.52%	2.59%
Interest Expense	2.92%	2.92%	2.92%	2.92%
Net income (Loss) Before Taxes	35.83%	35.89%	36.11%	37.17%
Income Tax Expenses (Savings)	11.83%	11.84%	11.92%	12.27%
Net Income (Loss) After Taxes	24.01%	24.05%	24.19%	24.91%

Cash Flow Statement	Period 1	Period 2	Period 3	Period 4
Beginning Cash Balance	\$15,000	\$15,685	\$18,291	\$31,071
Sources of Cash				
Net Income After Taxes	\$28,810	\$28,856	\$29,030	\$29,887
Addback of Depreciation	3,750	3,750	3,750	3,750
Accounts Payable Financing	(5,000)	0	0	0
Accrued Expenses Financing	(6,875)	0	0	0
Other Current Liabilities Financing	100	(100)	100	(100)
Long-Term Liabilities Financing	0	0	0	0
Other Noncurrent Liabilities Financing	100	(100)	100	(100)
Uses of Cash				
Accounts Receivable Investments	0	0	0	0
Inventory Investments	(5,000)	5,000	(5,000)	5,000
Other Current Assets Investments	100	(100)	100	(100)
Plant, Property, & Equip Investments	0	0	0	0
Other Noncurrent Assets Investments	100	(100)	100	(100)
Other Owner Equity Changes	25,000	25,000	25,000	25,000
Net Cash Generated (Used)	685	2,606	12,780	3,637
Ending Cash Balance	\$15,685	\$18,291	\$31,071	\$34,708

Financial Ratios Table	Period 1	Period 2	Period 3	Period 4
Working Capital Ratios:				
Current Ratio	2.71	3.30	3.87	4.55
Quick Ratio	1.94	2.16	3.11	3.41
Working Capital to Total Assets	0.23	0.30	0.36	0.42
Receivables Turnover	12.00	12.00	12.00	12.00
Inventory Turnover	12.00	6.00	12.00	6.00
Operating Ratios:				
Times Interest Earned	13.29	13.31	13.38	13.74
Sales to Operational Assets	2.13	2.29	2.46	2.67
Return on Total Assets	33.26%	32.10%	30.98%	30.43%
Return on Equity	64.29%	59.29%	55.09%	51.90%
Investment Turnover	1.24	1.19	1.14	1.09
Financial Leverage	31.03%	27.19%	24.11%	21.47%

Period 5	Period 6	Period 7	Period 8	Period 9	Period 10
10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
0.08	0.08	0.08	0.08	0.08	0.08
55,000	65,000	55,000	65,000	55,000	65,000
100	-100	100	-100	100	-100
15,000	0	0	0	0	-10,000
3,750	3,750	3,750	3,750	3,750	-6,250
100	-100	100	-100	100	-100
0.08	0.08	0.08	0.08	0.08	0.08
0.04	0.04	0.04	0.04	0.04	0.04
100	-100	100	-100	100	-100
0	0	0	0	0	0
100	-100	100	-100	100	-100
-25,000	-25,000	-25,000	-25,000	-25,000	-25,000
120,000	120,000	120,000	120,000	120,000	120,000
60,000	60,000	60,000	60,000	60,000	60,000
5,000	5,000	5,000	5,000	5,000	5,000
5,000	5,000	5,000	5,000	5,000	5,000
5,000	5,000	5,000	5,000	5,000	5,000
3,500	3,500	3,500	3,500	3,500	3,500
33%	33%	33%	33%	33%	33%

Period 5	Period 6	Period 7	Period 8	Period 9	Period 10
\$33,589	\$37,394	\$51,454	\$56,457	\$71,795	\$78,160
10,000	10,000	10,000	10,000	10,000	10,000
5,000	10,000	5,000	10,000	5,000	10,000
5,100	5,000	5,100	5,000	5,100	5,000
53,689	62,394	71,554	81,457	91,895	103,160
90,000	90,000	90,000	90,000	90,000	80,000
(33,750)	(37,500)	(41,250)	(45,000)	(48,750)	(42,500)
56,250	52,500	48,750	45,000	41,250	37,500
5,100	5,000	5,100	5,000	5,100	5,000
\$115,039	\$119,894	\$125,404	\$131,457	\$138,245	\$145,660
\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
625	625	625	625	625	625
7,600	7,500	7,600	7,500	7,600	7,500
13,225	13,125	13,225	13,125	13,225	13,125
35,000	35,000	35,000	35,000	35,000	35,000
4,100	4,000	4,100	4,000	4,100	4,000
39,100	39,000	39,100	39,000	39,100	39,000
62,714	67,769	73,079	79,332	85,920	93,535
\$115,039	\$119,894	\$125,404	\$131,457	\$138,245	\$145,660

Period 5	Period 6	Period 7	Period 8	Period 9	Period 10
29.20%	31.19%	41.03%	42.95%	51.93%	53.66%
8.69%	8.34%	7.97%	7.61%	7.23%	6.87%
4.35%	8.34%	3.99%	7.61%	3.62%	6.87%
4.43%	4.17%	4.07%	3.80%	3.69%	3.43%
46.67%	52.04%	57.06%	61.96%	66.47%	70.82%
78.23%	75.07%	71.77%	68.46%	65.10%	54.92%
-29.34%	-31.28%	-32.89%	-34.23%	-35.26%	-29.18%
48.90%	43.79%	38.87%	34.23%	29.84%	25.74%
4.43%	4.17%	4.07%	3.80%	3.69%	3.43%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
4.35%	4.17%	3.99%	3.80%	3.62%	3.43%
0.54%	0.52%	0.50%	0.48%	0.45%	0.43%
6.61%	6.26%	6.06%	5.71%	5.50%	5.15%
11.50%	10.95%	10.55%	9.98%	9.57%	9.01%
30.42%	29.19%	27.91%	26.62%	25.32%	24.03%
3.56%	3.34%	3.27%	3.04%	2.97%	2.75%
33.99%	32.53%	31.18%	29.67%	28.28%	26.77%
54.52%	56.52%	58.28%	60.35%	62.15%	64.21%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Period 5	Period 6	Period 7	Period 8	Period 9	Period 10
\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)
60,000	60,000	60,000	60,000	60,000	60,000
5,000	5,000	5,000	5,000	5,000	5,000
5,000	5,000	5,000	5,000	5,000	5,000
5,000	5,000	5,000	5,000	5,000	5,000
15,000	15,000	15,000	15,000	15,000	15,000
45,000	45,000	45,000	45,000	45,000	45,000
3,471	3,359	3,739	5,145	5,646	7,179
3,500	3,500	3,500	3,500	3,500	3,500
44,971	44,859	45,239	46,645	47,146	48,679
14,840	14,803	14,929	15,393	15,558	16,064
\$30,130	\$30,055	\$30,310	\$31,252	\$31,588	\$32,615

100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%
50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
4.17%	4.17%	4.17%	4.17%	4.17%	4.17%
4.17%	4.17%	4.17%	4.17%	4.17%	4.17%
4.17%	4.17%	4.17%	4.17%	4.17%	4.17%
12.50%	12.50%	12.50%	12.50%	12.50%	12.50%
37.50%	37.50%	37.50%	37.50%	37.50%	37.50%
2.89%	2.80%	3.12%	4.29%	4.70%	5.98%
2.92%	2.92%	2.92%	2.92%	2.92%	2.92%
37.48%	37.38%	37.70%	38.87%	39.29%	40.57%
12.37%	12.34%	12.44%	12.83%	12.97%	13.39%
25.11%	25.05%	25.26%	26.04%	26.32%	27.18%

Period 5	Period 6	Period 7	Period 8	Period 9	Period 10
\$34,708	\$33,589	\$37,394	\$51,454	\$56,457	\$71,795
\$30,130	\$30,055	\$30,310	\$31,252	\$31,588	\$32,615
3,750	3,750	3,750	3,750	3,750	(6,250)
0	0	0	0	0	0
0	0	0	0	0	0
100	(100)	100	(100)	100	(100)
0	0	0	0	0	0
100	(100)	100	(100)	100	(100)
0	0	0	0	0	0
(5,000)	5,000	(5,000)	5,000	(5,000)	5,000
100	(100)	100	(100)	100	(100)
15,000	0	0	0	0	(10,000)
100	(100)	100	(100)	100	(100)
25,000	25,000	25,000	25,000	25,000	25,000
(1,120)	3,805	14,060	5,002	15,338	6,365
\$33,589	\$37,394	\$51,454	\$56,457	\$71,795	\$78,160

Period 5	Period 6	Period 7	Period 8	Period 9	Period 10
4.06	4.75	5.41	6.21	6.95	7.86
3.30	3.61	4.65	5.06	6.18	6.72
0.35	0.41	0.47	0.52	0.57	0.62
12.00	12.00	12.00	12.00	12.00	12.00
12.00	6.00	12.00	6.00	12.00	6.00
13.85	13.82	13.93	14.33	14.47	14.91
2.13	2.29	2.46	2.67	2.91	3.20
29.23%	27.99%	26.96%	26.44%	25.38%	24.79%
48.04%	44.35%	41.48%	39.39%	36.76%	34.87%
1.04	1.00	0.96	0.91	0.87	0.82
18.81%	16.36%	14.51%	12.96%	11.38%	10.08%