

A dictionary and/or a notebook may be used on this exam. The exam will require the use of a UNM Windows XP computer, Microsoft Excel and a printer. The exam must be printed on a single side of an 8.5x11 inch sheet of paper, and turned-in. A photo ID is required to turn-in the exam. The only computer applications allowed to be open and/or used during the exam are Microsoft Word, Microsoft Excel, and the *off-line*, Microsoft help systems. Students may NOT use the Internet including Internet Explorer, Firefox, and on-line Help. Cell phones must be turned off. Students cannot answer a cell phone in class nor can they exit the room to answer a cell phone during the exam. A student may NOT leave the room (even to use the restroom) for any reason during the exam until that student has turned in the exam. Once an exam is turned in, no further work may be done on it. Time limit: 50 minutes.



Throughout this exam, no equations may include “hard coded” assumptions (CONSTANTS). As usual, this prohibition does not apply to universal constants such as using “7” for the number of days in a week, nor “1” as a unit increment.

Part 0 - Setting up the worksheet:

- ✓ Create Microsoft Excel worksheet with the formatting described below. All of the worksheet must fit on a **single side of a single page**. You may choose to use a portrait or landscape page layout.
- ✓ In each column of the **first row** of your one page spreadsheet, enter the letter of that column. Only label the columns that print on one page of the worksheet.
- ✓ In the **first column** of each row (starting with the second row), enter the row number.
- ✓ In row 2, enter your **first and last name in 14-point, bold, Italic, Arial font**.

Thus, the first column and the first two rows of the worksheets should look like the screen capture below:

	A	B	C	D	E	F	G	H	I	J
1	A	B	C	D	E	F	G	H	I	J
2	2	<i>Your First Name and Last Name</i>								
3	3									
4	4									
5	5									
6	6									
7	7									

Part 1 - Financial Forecast Scenario and Assumptions Table (10 points):

You are planning to start a retail Internet sales company that will sell a single product: a high-end vacuum cleaner. In 2009, YOUR cost for purchasing one of these amazing vacuum cleaners is \$650.00. After conducting a market study, you decide you can sell the vacuums in the 2009 market for \$1,299.00. You estimate that you can sell 500 units in 2009 and that you can increase your sales by 17% each year through 2010, 2011, and 2012. Since the vacuum cleaners arrive in bulk, you rent a storage unit with a one year lease at a cost of \$2000 for the full year. The cost of setting up and maintaining the website is \$1000 for the first year. You estimate that your cost for the vacuum, storage rental, and website maintenance will all increase at the current inflation rate of 3.85% annually. You also expect that you can increase the selling price of the vacuum each year by 3.85%. Assume that the number of vacuums stocked each year is the same as the number sold.

- a) [10 points]: Create a clearly labeled assumptions section wherein you include all of the financial assumptions given in the scenario.

Part 2 - Financial Forecast Expenses Table (50 Points):

In order to receive any points a calculation, the equation used in THE SECOND YEAR of that calculation must be COPIED and PASTED without the equal, =, symbol into a clearly labeled cell (i.e. E3+\$B\$2) so that the exact letters, numbers and symbols of the equation are visible on the printed page.

- [10 points]: Create a clearly labeled **Expenses table**. This table must have a separate section for **Fixed Costs** and **Marginal Costs** with each of the required rows listed in the appropriate section. The table must include a column for each year of the forecast. The table must be neat, clear, well organized and use consistent formatting.
- [7 points]: There must be a row labeled **Unit Cost of Vacuum**. The second year of this row must be an equation that fills across to each of the later years. The equation used in the second year calculation must be copied and pasted without the equal sign so that it will print as text. This pasted equation must be clearly identifiable.
- [7 points]: There must be a row labeled **Number of Vacuums Stocked**. The second year of this row must be an equation that fills across to each of the later years. Do not forget to copy and paste this equation without the equal sign where it can be clearly identified.
- [7 points]: There must be a row labeled **Total Cost of Vacuums Stocked**. The first year of this row must be an equation that fills across to each of the later years. Even though the first year needs to fill across, for consistency, copy and paste the second year of the equation without the equal sign so that it will print as text. This pasted equation must be clearly identifiable.
- [6 points]: There must be a row labeled **Website Maintenance** with the second year being an equation that fills across to the other years.
- [6 points]: There must be a row labeled **Storage Rental** with the second year being an equation that fills across to the other years.
- [7 points]: Below the *fixed costs* and *marginal costs*, there must be a row labeled "**Total Costs**". Calculate this value in the first year so that the equation fills across to each of the later years.

Part 3 - Financial Forecast Income Table (40 Points):

In order to receive any points a calculation, the equation used in THE SECOND YEAR of that calculation must be COPIED and PASTED without the equal, =, symbol into a clearly labeled cell (i.e. E3+\$B\$2) so that the exact letters, numbers and symbols of the equation are visible on the printed page.

- [10 points]: Create a clearly labeled **Income table**. The table must include a column for each year of the forecast. The table must be neat, clear, well organized and use consistent formatting.
- [7 points]: There must be a row labeled **Unit Selling Price of Vacuum**. The second year of this row must be an equation that fills across to each of the later years.
- [7 points]: There must be a row labeled **Number of Vacuums Sold**. The second year of this row must be an equation that fills across to each of the later years.
- [8 points]: There must be a row labeled **Gross Revenue**. Calculate this in the first year of this row using an equation that fills across to each of the later years.
- [8 points]: There must be a row labeled **Profit**. Calculate this in the first year of this row using an equation that fills across to each of the later years.