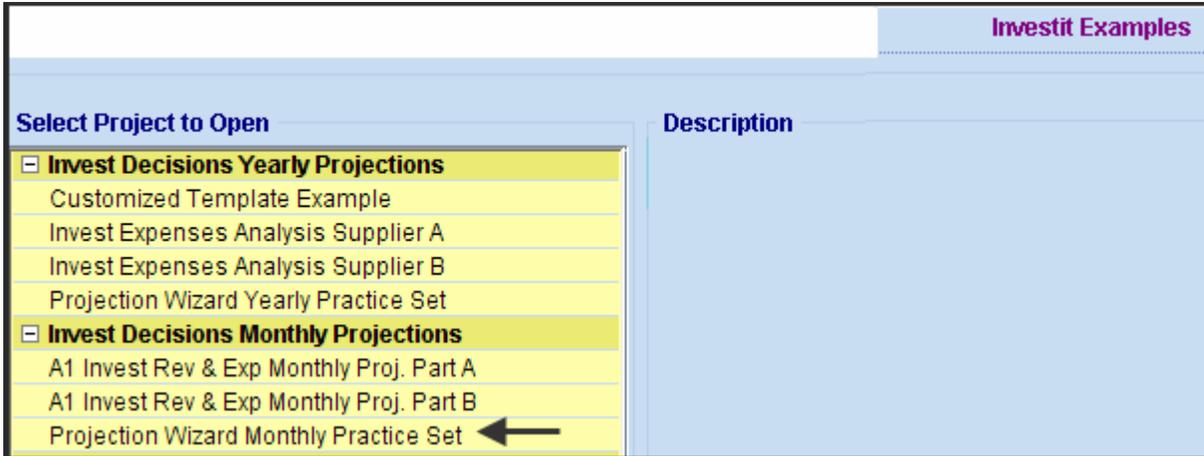


PROJECTION WIZARD. MONTHLY PROJECTIONS. PRACTICE EXERCISES

To become more familiar with using Projection Wizard for Monthly Templates it is recommended that you enter the following practice examples. You can compare your entries and results with the Investit Example "Projection Wizard Monthly Practice Set"

To check that your entries are correct;

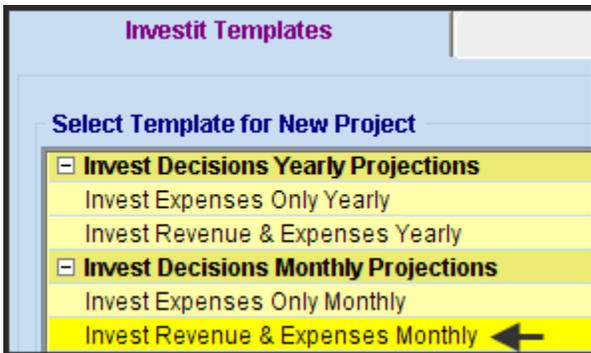
1. Enter the practice set and save as a project
2. Open the Investit Example "Projection Wizard Monthly Practice Set"



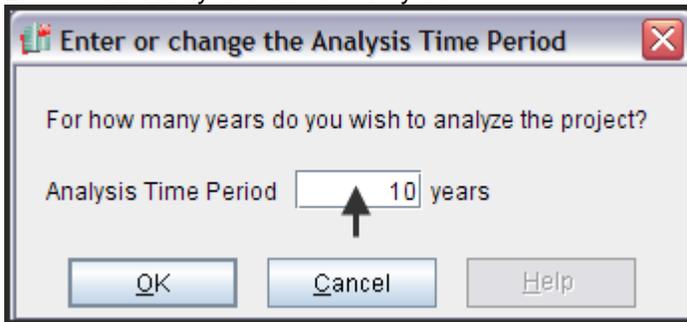
3. Compare your input screens with your Investit Example screen
4. Print the "Projection Description Reports" and compare the results

Practice Exercises

1. Open the "Investit Revenue & Expenses Monthly" template



2. Set the Analysis Period to 10 years



Expenses Folder

Select the Expenses Folder and enter the following projections in the Projection Wizard

Labor

Year1 Jan \$75,000 paid monthly for 12 months then increasing at 3.00% compounding per year for the next 2 years (The Time Period is 3 years), then 4.00% per compounding per year for the next 3 years. (Use the Cont. Proj. check box to continue the projection)

Use "New Projection" to continue but with a new projection starting Year 7 Jan \$140,000 per year paid monthly for 12 months increasing 4.0% per year compounding for the remainder of the Analysis Period (Use the To End" check box)

Projection Wizard entries;

Projection Wizard

Entry Information
 Description: Labor
 Entry Choice: \$ per Mo

Projections

Paid	Project Entry Using...	Entry	Start Date		Time Period			Increase	Cont. Proj.
			Year	Month	To End	Yrs	Mos		
Monthly for 12 Months	Annual Compounding	\$ 75,000	Year 1	Jan	3	0	3.00%	<input checked="" type="checkbox"/>	
Monthly for 12 Months	Annual Compounding		Year 4	Jan	3	0	4.00%	<input type="checkbox"/>	
Monthly for 12 Months	Annual Compounding	\$ 140,000	Year 7	Jan	4	0	4.00%	<input type="checkbox"/>	

1) Select (Paid)
 2) Select (Project Entry Using...)
 3) Enter (Entry)
 4) Enter (To End)
 5) Enter (Increase)
 6) Check Continue Projection (Cont. Proj.)
 7) Select (Project Entry Using...)
 8) Enter (To End)
 9) Enter (Increase)
 10) Click on "New Projection" button to start next projection
 11) Select (Project Entry Using...)
 12) Enter (Entry)
 13) Check (To End)
 14) Enter (Increase)

Buttons: New Projection, Insert Projection, Projection Description

Projection Description

Labor
 Entry Choice: \$ per Month

Year 1 Jan \$75,000 per Month paid monthly for 12 months
 Compounding at 3.00% per year for next 2 years
 then Compounding at 4.00% per year for next 3 years

Year 7 Jan \$140,000 per Month paid monthly for 12 months
 Compounding at 4.00% per year for next 3 years

Materials

The cost of materials depends on the “Cost per Unit” for materials and the quantity produced

In the Expenses folder select the “Materials” Row and change the Entry Choice to “\$ per Unit & Quantity”

Project Info.	Investor	Investment	Working Capital	Expenses
Expenses				
Description	Entry Choice	Qty	Category	Year 1 Jan
Labor	\$ per Mo	—	Common	\$ 75.0
Materials	\$ per Unit and Quantity	—	Common	
	Quantity	—		
Repairs & Maintenance	\$ per Mo	—	Common	
Utilities	\$ per Mo	—	Common	
Insurance	\$ per Yr	—	Common	
Incremental Overhead	% of Expense(s)	—	Common	
Sales Commissions	% of Revenue(s)	—	Common	
Select Entry Choice "\$ per Unit				

Materials. \$ per Unit cost

Year 1 Jan \$75 per Unit entered “Monthly for 12 Months” then increasing at 4.00% compounding per year until the end of the Analysis Period

Projection Wizard entries;

Projection Wizard

Entry Information

Description: Materials
Entry Choice: \$ per Unit

Projections

Enter	Project Entry Using...	Entry	Start Date		Time Period			Increase	Cont. Proj.
			Year	Month	To End	Yrs	Mos		
Monthly for 12 Months	Annual Compounding	\$ 75	Year 1	Jan	<input checked="" type="checkbox"/>	10	0	4.00%	

New Projection Insert Projection Projection Description

Projection Description

Materials
Entry Choice: \$ per Unit
Year 1 Jan \$75 per Unit entered monthly for 12 months
Compounding at 4.00% per year for next 9 years

Quantity

The quantity produced for the first year depends on the time of the year as follows;

	Jan	Feb	Mar	Apr	May	June	July	August	Sept	Oct	Nov	Dec	Total
Year1	2,500	2,500	2,500	3,000	3,000	3,000	3,000	4,500	4,500	4,500	1,000	1,000	35,000

Then increasing at 4.00% per year compounding until the end of the Analysis Period

Steps

1. In the Expenses folder select the “Quantity Row” & click on the Projection Wizard button to display the Projection Wizard

Project Info.	Investor	Investment	Working Capital	Expenses	
Expenses					
Description	Entry Choice	Qty	Category	Year 1 Jan	
Labor	\$ per Mo	—	Common	\$ 75,0	
Materials	\$ per Unit and Quantity	—	Common		
	Quantity	—			
Repairs & Maintenance	\$ per Mo	—	Common		
Utilities	\$ per Mo	—	Common		
Insurance	\$ per Yr	—	Common		
Incremental Overhead	% of Expense(s)	—	Common		
Sales Commissions	% of Revenue(s)	—	Common		
Select Entry Choice "\$ per Unit & Qty"					

2. In the Projection Wizard select "Enter Year by the Month" to display the "Enter Year by the Month" dialog

Projection Wizard

Entry Information

Description: Materials
Entry Choice: Quantity

Projections

Enter	Project Entry Using...	Entry	Start Date		Time Period			Increase	Cont. Proj.
			Year	Month	To End	Yrs	Mos		
Monthly for 12 Months	Constant (Fill Right)	0	Year 1	Jan	<input type="checkbox"/>	1	0	<input type="checkbox"/>	
	<ul style="list-style-type: none"> Constant (Fill Right) Annual Compounding Uniform % Increase Uniform Qty. Increase Stepped Projection Enter Yr. by the Month Single Entry. No Proj. 								

← Select to display the "Enter Year by the Month" dialog

3. Enter the Quantity for each month & click "OK"

Enter Year by the Month

Starting Year: Year 1

Starting Month: Jan

Month	Quantity
Year 1 - Jan	2,500
Year 1 - Feb	2,500
Year 1 - Mar	2,500
Year 1 - Apr	3,000
Year 1 - May	3,000
Year 1 - Jun	3,000
Year 1 - Jul	3,000
Year 1 - Aug	4,500
Year 1 - Sep	4,500
Year 1 - Oct	4,500
Year 1 - Nov	1,000
Year 1 - Dec	1,000
Total	35,000

Fill Down

Enter the Quantity in each month

OK Cancel Help

4. Complete the entries in Projection Wizard

Projection Wizard

Entry Information
 Description: Materials
 Entry Choice: Quantity

Projections

1) Check the "Cont. Proj." box

Enter	Project Entry Using...	Entry	Start Date		Time Period		Increase	Cont. Proj.
			Year	Month	To End	Yrs		
Monthly for 12 Months	Enter Yr. by the Month		Year 1	Jan				<input checked="" type="checkbox"/>
	Annual Compounding		Year 2	Jan	<input checked="" type="checkbox"/>	9	0	4.00%

2) Select 3) Check 4) Enter

Buttons: Edit Enter Year by the Month, New Projection, Insert Projection, Projection Description

Projection Description

Materials
 Entry Choice: Quantity

Year	Month	Quantity
Year 1	Jan	2,500
	Feb	2,500
	Mar	2,500
	Apr	3,000
	May	3,000
	Jun	3,000
	Jul	3,000
	Aug	4,500
	Sep	4,500
	Oct	4,500
	Nov	1,000
	Dec	1,000
	Total	35,000

then Compounding at 4.00% per year for next 9 years

Repairs & Maintenance

The organization will enter into a maintenance service contract as follows;

Year 1. \$9,000 per month for 1 Year & 3 months

Then \$12,000 per month for three years

Then \$15,000 per month until the end of the Analysis Period

In the "Project Entry Using..." select "Stepped Projection" option

1. Select the "Repairs & Maintenance" row in the Expenses folder & click on Projection Wizard button
2. Select "Stepped Projection" to display the Stepped Projection dialog

Paid	Project Entry Using...	Entry	Start Date		Time Period			Increase	Cont. Proj.
			Year	Month	To End	Yrs	Mos		
Monthly for 12 Months	Constant (Fill Right)	\$ 0	Year 1	Jan		1	0		

3. Stepped Projection Dialog. Select "Enter Value" and set the "Number of Terms" to 3 and click "OK"

4. Complete the Projection Wizard entries

Projection Wizard

Entry Information
 Description: Repairs & Maintenance
 Entry Choice: \$ per Mo

Projections

4) Enter Value for next year

Paid	Project Entry Using...	Entry	Term	Start Date		Time Period			Increase	Cont. Proj.
				Year	Month	To End	Yrs	Mos		
Monthly	Stepped Projection	\$ 9,000	1	Year 1	Jan		1	3	\$ 12,000	
			2	Year 2	Apr		3	0	\$ 15,000	
			3	Year 5	Apr	<input checked="" type="checkbox"/>	5	9		

1) Select 2) Enter 3) Enter 4) Enter Value for next year 5) Enter 6) Enter 7) Check

Buttons: Edit Stepped Projection, New Projection, Insert Projection, Projection Description

Projection Description

Repairs & Maintenance
 Entry Choice: \$ per Month
 Year 1 Jan Stepped Projection
 Term 1: \$9,000 per Month paid monthly for 1 year and 3 months
 Term 2: Changed to \$12,000 per Month paid monthly for 3 years
 Term 3: Changed to \$15,000 per Month paid monthly for 5 years and 9 months

Insurance

Paid every 12 Months in June. \$25,000 Year 1 June then increasing at 4.00% per year compounding until the end of the Analysis Period

1. Change the "Entry Choice" in the Expense Folder to "\$ per Yr" and click on the projection Wizard button

Expenses			
Description	Entry Choice	Qty	Category
Labor	\$ per Mo	—	Common
Materials	\$ per Unit and Quantity	—	Common
	Quantity	—	
Repairs & Maintenance	\$ per Mo	—	Common
Utilities	\$ per Mo	—	Common
Insurance	\$ per Yr	—	Common
Incremental Overhead	% of Expense(s)	—	Common
Sales Commissions	% of Revenue(s)	—	Common

Select ↑

2. Projection Wizard entries

Projection Wizard

Entry Information

Description: Insurance
Entry Choice: \$ per Yr

Projections

Paid	Project Entry Using...	Entry	Start Date		Time Period			Increase	Cont. Proj.
			Year	Month	To End	Yrs	Mos		
Every 12 Months	Annual Compounding	\$ 25,000	Year 1	Jun	<input checked="" type="checkbox"/>	10	4.00%		

Select ↑ Select ↑ Enter ↑ Select ↑ Check ↑ Enter ↑

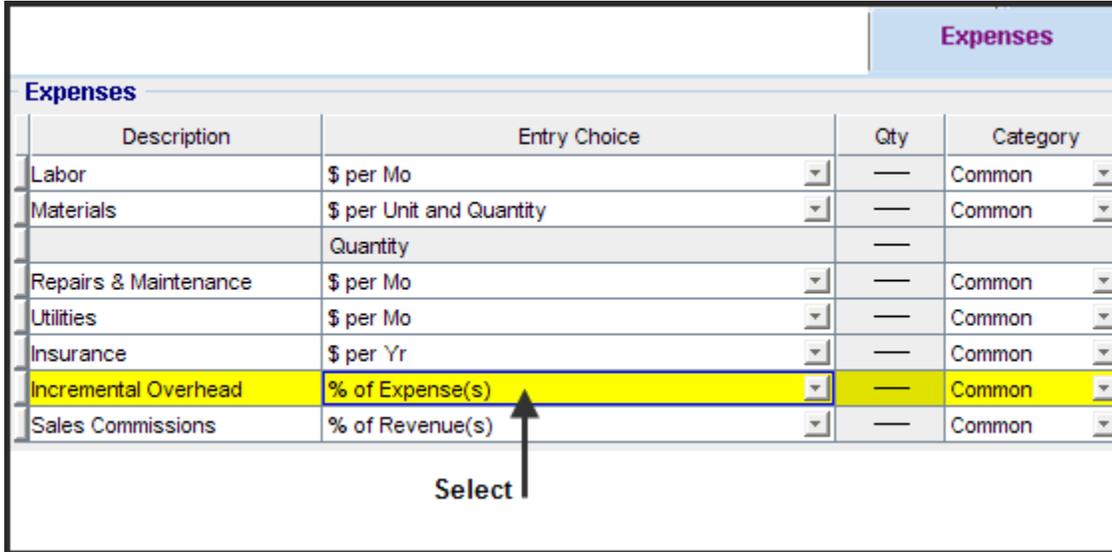
Projection Description

Insurance
Entry Choice: \$ per Year
Year 1 Jun \$25,000 per Year paid every 12 months
Compounding at 4.00% per year for next 9 years

Incremental Overhead

Incremental Overhead is 6.00% of expenses

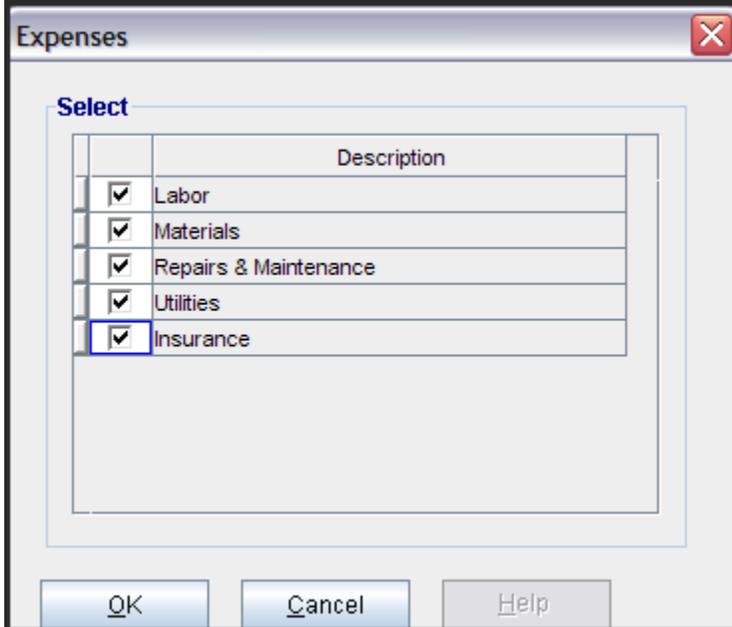
1. Change the "Entry Choice" in the Expense Folder to "% of Expenses" which displays the "% of Expenses" dialog



Expenses				
Description	Entry Choice	Qty	Category	
Labor	\$ per Mo	—	Common	
Materials	\$ per Unit and Quantity	—	Common	
	Quantity	—		
Repairs & Maintenance	\$ per Mo	—	Common	
Utilities	\$ per Mo	—	Common	
Insurance	\$ per Yr	—	Common	
Incremental Overhead	% of Expense(s)	—	Common	
Sales Commissions	% of Revenue(s)	—	Common	

Select ↑

2. % of Expenses Dialog. Select all the Expenses and click on the "OK" button



Expenses

Select

	Description
<input checked="" type="checkbox"/>	Labor
<input checked="" type="checkbox"/>	Materials
<input checked="" type="checkbox"/>	Repairs & Maintenance
<input checked="" type="checkbox"/>	Utilities
<input checked="" type="checkbox"/>	Insurance

OK Cancel Help

3. Projection Wizard entries

Projection Wizard

Entry Information
 Description: Incremental Overhead
 Entry Choice: % of Expense(s)

Projections

Enter	Project Entry Using...	%	Start Date		Time Period			Increase	Cont. Proj.
			Year	Month	To End	Yrs	Mos		
Monthly for 12 Months	Constant (Fill Right)	6.00%	Year 1	Jan	<input checked="" type="checkbox"/>	10	0		

↑ Enter
↑ Check

New Projection
Insert Projection
Projection Description

Projection Description

Incremental Overhead
 Entry Choice: % of Expense(s)
 Labor
 Materials
 Repairs & Maintenance
 Utilities
 Insurance
 Year 1 Jan: 6.00% of Expense(s) for 12 months
 Constant per year for next 9 years

Sales Commissions

Sales Commission: 10.00% of Revenue

1. Add a row in the Expense Folder called "Sales Commissions and change the "Entry Choice" in the Expense Folder to "% of Revenues" and select all the revenues

Expenses			
Description	Entry Choice	Qty	Category
Labor	\$ per Mo	—	Common
Materials	\$ per Unit and Quantity	—	Common
	Quantity	—	
Repairs & Maintenance	\$ per Mo	—	Common
Utilities	\$ per Mo	—	Common
Insurance	\$ per Yr	—	Common
Incremental Overhead	% of Expense(s)	—	Common
Sales Commissions	% of Revenue(s)	—	Common

↑ Add row & enter the description
↑ Select

2. % of Revenues Dialog select the <Revenue or Cost Savings>

Revenues ✖

Select

	Description
<input checked="" type="checkbox"/>	<Revenue or Cost Savings>

3. Projection Wizard entries

Projection Wizard

Entry Information
 Description: Sales Commissions
 Entry Choice: % of Revenue(s)

Projections

Enter	Project Entry Using...	%	Start Date		Time Period		Increase	Cont. Proj.
			Year	Month	To End	Yrs		
Monthly for 12 Months	Constant (Fill Right)	10.00%	Year 1	Jan	<input checked="" type="checkbox"/>	10	0	

Enter ↑
Check ↑

Projection Description

Sales Commissions
 Entry Choice: % of Revenue(s)
 Sales
 Year 1 Jan 10.00% of Revenue(s) for 12 months
 Constant per year for next 9 years

The Expense Folder entries and projections are complete.

Go the Revenue Folder

Revenue Folder

Sales

Entering the sales revenue involves;

- a) Changing the Description from <Revenue or Cost Savings> to “Sales”
- b) Entering and projecting the Unit Price
- c) Entering and projecting the quantity sold

This is achieved by using the Entry Choice “\$ per Unit and Quantity” to set up the “\$ per Unit” row and the “Quantity” row

\$ per Unit

Year 1 Jan \$300 per Unit entered monthly for 12 months then increasing at 4.00% compounding per year until the end of the Analysis Period

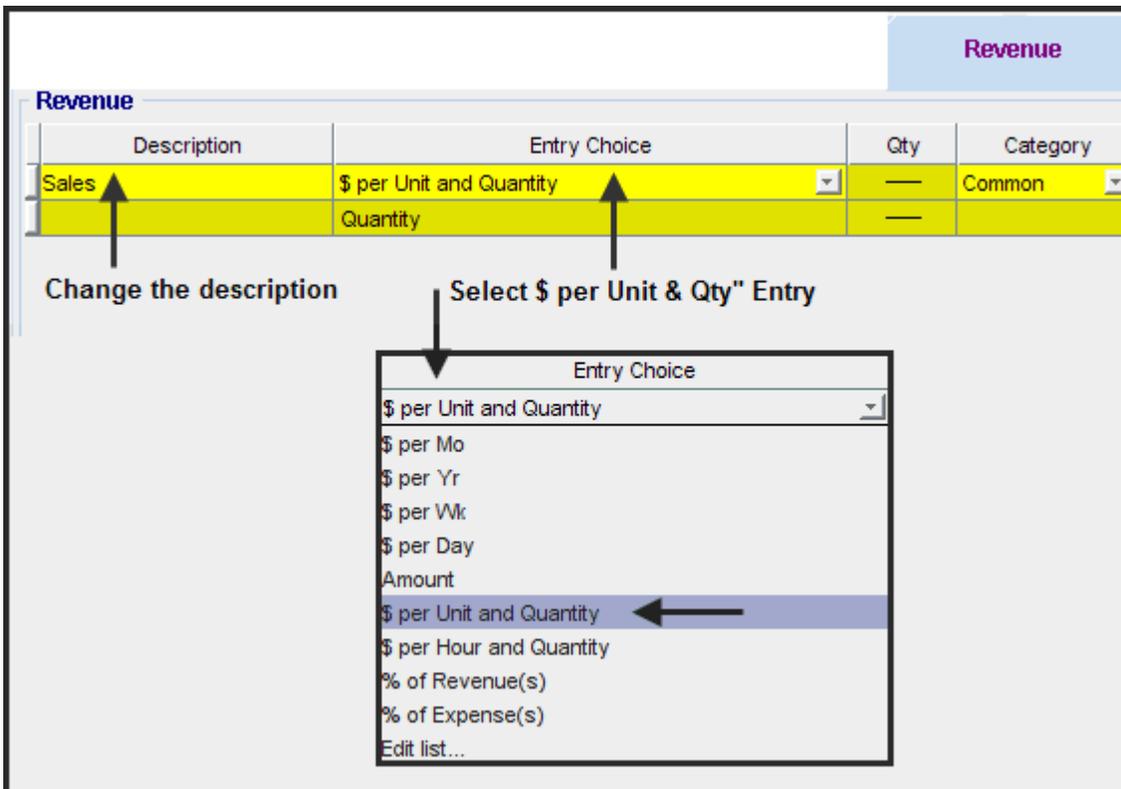
Quantity Sold

The quantity sold in the first year is;

	Jan	Feb	Mar	Apr	May	June	July	August	Sept	Oct	Nov	Dec	Total
Year1	2,500	2,500	2,500	3,000	3,000	3,000	3,000	4,500	4,500	4,500	1,000	1,000	35,000

Then increasing at 4.00% per year compounding until the end of the Analysis Period

1. Change the Description in row 1 from “Revenue or Cost Savings” to “Sales”
2. Change the Entry Choice from “\$ per Mo” to “\$ per Unit & Quantity”



Entering the "Sales" revenue

Year 1 Jan \$300 per Unit entered monthly for 12 months then increasing at 4.00% compounding per year until the end of the Analysis Period

Projection Wizard entries

The screenshot displays the 'Projection Wizard' window. It is divided into two main sections: 'Entry Information' and 'Projections'.

Entry Information:
 Description: Sales
 Entry Choice: \$ per Unit

Projections:

Enter	Project Entry Using...	Entry	Start Date		Time Period		Increase	Cont. Proj.
			Year	Month	To End	Yrs		
Monthly for 12 Months	Annual Compounding	\$ 300	Year 1	Jan	<input checked="" type="checkbox"/>	10	0	4.00%

Below the table, arrows point to the following fields: 'Select' (for Enter), 'Select' (for Project Entry Using...), 'Enter' (for Entry), 'Check' (for To End), and 'Enter' (for Increase).

Buttons at the bottom include 'New Projection', 'Insert Projection', and 'Projection Description'. A callout box titled 'Projection Description' is shown below the 'Projection Description' button, containing the following text:

Sales
 Entry Choice: \$ per Unit
 Year 1 Jan \$300 per Unit entered monthly for 12 months
 Compounding at 4.00% per year for next 9 years

Entering the “Quantity” sold

Quantity Sold

The quantity sold in the first year is;

	Jan	Feb	Mar	Apr	May	June	July	August	Sept	Oct	Nov	Dec	Total
Year1	2,500	2,500	2,500	3,000	3,000	3,000	3,000	4,500	4,500	4,500	1,000	1,000	35,000

then increasing at 4.00% per year compounding until the end of the Analysis Period

1. Select the “Quantity” row in the Revenue Folder and click on the Projection Wizard button

Revenue		
Description	Entry Choice	Qty
Sales	\$ per Unit and Quantity	—
	Quantity ←	—

2. Select “Enter Yr. by the Month” to display the “Enter Yr. by the Month” dialog

Projection Wizard

Entry Information

Description: Sales

Entry Choice: \$ per Mo

Projections

Paid	Project Entry Using...	Entry	Start Date		Time Period			Increase	Cont. Proj.
			Year	Month	To End	Yrs	Mos		
Monthly for 12 Months	Constant (Fill Right)	\$ 0	Year 1	Jan	<input checked="" type="checkbox"/>	1	0		
	<ul style="list-style-type: none"> Constant (Fill Right) Annual Compounding Uniform % Increase Uniform \$ Increase Stepped Proj. (Lease) Enter Yr. by the Month ← Select Single Entry. No Proj. 								

3. Complete the “Enter Yr. by the Month” dialog and click the “OK” button

Enter Year by the Month

Starting Year: Year 1

Starting Month: Jan

Month	Quantity
Year 1 - Jan	2,500
Year 1 - Feb	2,500
Year 1 - Mar	2,500
Year 1 - Apr	3,000
Year 1 - May	3,000
Year 1 - Jun	3,000
Year 1 - Jul	3,000
Year 1 - Aug	4,500
Year 1 - Sep	4,500
Year 1 - Oct	4,500
Year 1 - Nov	1,000
Year 1 - Dec	1,000
Total	35,000

Fill Down

Enter the monthly sales

OK Cancel Help

Projection Description Report

A description of all the Expense and Revenue projections can be printed from the Report menu as follows;

Select "Projection Descriptions" on the report menu

The screenshot shows the 'Reports' menu on the left with 'Projection Descriptions' highlighted. An arrow points from this menu item to a preview window on the right titled 'EXPENSES PROJECTIONS'. The preview window contains the following content:

EXPENSES PROJECTIONS

Labor
 Entry Choice: \$ per Month
 Year 1 Jan \$75,000 per Month paid monthly for 12 months
 Compounding at 3.00% per year for next 2 years
 then Compounding at 4.00% per year for next 3 years
 Year 7 Jan \$140,000 per Month paid monthly for 12 months
 Compounding at 4.00% per year for next 3 years

Materials
 Entry Choice: \$ per Unit
 Year 1 Jan \$75 per Unit entered monthly for 12 months
 Compounding at 4.00% per year for next 9 years

Materials
 Entry Choice: Quantity

Year 1	Month	Quantity
Jan	Jan	2,500
Feb	Feb	2,500
Mar	Mar	2,500
Apr	Apr	3,000
May	May	3,000
Jun	Jun	3,000
Jul	Jul	3,000
Aug	Aug	4,500
Sep	Sep	4,500
Oct	Oct	4,500
Nov	Nov	1,000
Dec	Dec	1,000
Total		35,000

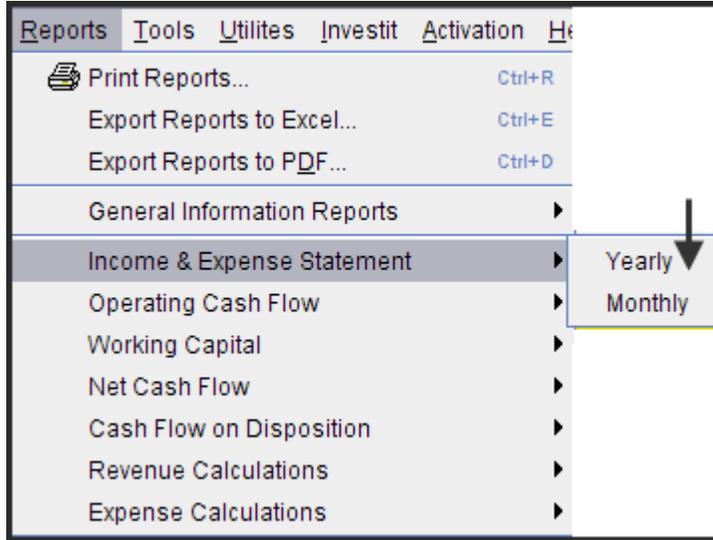
then Compounding at 4.00% per year for next 9 years

Repairs & Maintenance
 Entry Choice: \$ per Month
 Year 1 Jan Stepped Projection
 Term 1: \$9,000 per Month paid monthly for 1 year and 3 months
 Term 2: Changed to \$12,000 per Month paid monthly for 3 years
 Term 3: Changed to \$15,000 per Month paid monthly for 5 years and 9 months

ETC

Income & Expense Statement

To view the results of the revenue and expense projection print the “Income & Expense Yearly Report”



Income & Expense Statement

Income & Expense Statement Yearly										
Projection Wizard Monthly Practice Set										
August 15, 2009										
Investit Decisions										
Projection Wizard Monthly Practice Set										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
REVENUE										
Sales	10,500,000	11,356,800	12,265,668	13,268,364	14,372,397	15,543,525	16,828,300	18,193,700	19,687,722	21,271,005
Total Revenue	10,500,000	11,356,800	12,265,668	13,268,364	14,372,397	15,543,525	16,828,300	18,193,700	19,687,722	21,271,005
EXPENSES										
Labor	900,000	927,000	954,816	993,012	1,032,732	1,074,036	1,680,000	1,747,200	1,817,088	1,889,772
Materials	2,625,000	2,839,200	3,066,417	3,307,248	3,603,336	3,875,235	4,207,075	4,559,940	4,933,906	5,330,205
Repairs & Maintenance	108,000	135,000	144,000	144,000	171,000	180,000	180,000	180,000	180,000	180,000
Utilities	96,000	100,800	105,840	111,132	116,688	122,520	128,652	135,084	141,840	148,932
Insurance	25,000	26,000	27,040	28,122	29,246	30,416	31,633	32,898	34,214	35,583
Incremental Overhead	-	-	-	-	-	-	-	-	-	-
Sales Commissions	1,050,000	1,135,680	1,226,567	1,326,836	1,437,240	1,554,353	1,682,830	1,819,370	1,968,772	2,127,101
Total Expenses	4,804,000	5,163,680	5,524,680	5,910,350	6,390,242	6,836,560	7,910,190	8,474,492	9,075,820	9,711,593
Net Income	5,696,000	6,193,120	6,740,988	7,358,014	7,982,155	8,706,966	8,918,110	9,719,208	10,611,902	11,559,413