## **F.M & EXCEL PROJECT – SEM 1** *By – Gurleen Kaur Chilotre*

Acknowledgement: I would like to express my gratitude to my professor for giving us this project which helped me better understand the application of different concepts and excel tools. The application of different formulas and tools together was challenging and gave me a practical insight of their usage.

1] We were given a lot of information about the income and expenditure of the company. In order to find the after tax incremental cashflows, I orderly arranged the income and costs incurred by the company including the initial infrastructural investment. The growth rate of the participants as well as the inflation had to be kept in mind while calculating the cashflows.

In order to get the net cashflow we find the difference between inflows and outflows. Depreciation is then added to the net cashflow. The income tax is thus deducted from the resultant amount.

2] For the 2nd question the net present value is calculated at different rates. Then using the Goal seek function of the excel the internal rate of return for this project is calculated

3] For the last question the cashflows for 20 years is calculated in the same manner as that of the first question. And then a net present value profile is made for the project when it is run for 20 years.

The assumptions made by use are:

1. The international participants grow for the 20 years as a new server is purchased by the company recently
2. Since the machine don ot have a lot of life, they will get old and the processing will get slower. Eventually it might run out.
3. There might be new technology invented during these 20 years