FIN 470: Financial Analysis in Excel

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Group Excel Assignment 11, Risk and Capital Budgeting

Remember that for credit all Excel spreadsheets must conform to the Excel Guidelines.

CAUTION: Capital IQ (as well as other web sites) automatically downloads data as a 1997-2003 (xls) format Excel file. Immediately save your file in the current (xlsx) format since some recent Excel features are not available in the earlier format.

1. Create a workbook "FIN 470 A11 Group X (Fall22).xlsx".
2. On a worksheet called, "Prob":
   A. Download 5 years of monthly stock prices for your firm and the S&P 500, then calculate the corresponding EARs.
   B. Calculate the following probability measures:
      i. Average
      ii. Variance
      iii. Standard Deviation
      iv. Coefficient of Variation
      v. Skewness
      vi. Kurtosis
      vii. Covariance
      viii. Correlation
3. On a worksheet called, "Sensitivity":
   A. Find the NPV of a project with the following inputs and lsts five years:

Variable	Value
Investment	(35,000)
Original Production	15,000
Price	4.00
Variable Costs	2.50
Fixed Costs	5,000
Growth in Production	5.00%
Depreciation	10,000
Interest Expense	2,000

Tax Rate	35.00%
Terminal Value	25,000
Discount Rate	9.00%

B. Use a data table to find the sensitivity of the NPV to possible prices (3.00-8.00, in 0.50 jumps).

C. Graph the results in (B).