**Activity 2.5.4 – What-If Spreadsheets**

Purpose: Learn to use a spreadsheet to help analyze and plan for the future.

Use an Income Statement and Balance Sheet presentation that you create, access online, or with your publisher’s software to teach your students how to use “what-if” proposals.

Problem 1: Mr. Galbraith asks you what it would take for the business to earn a net income of at least $12,000.00. He wants to know specifically how much fees need to be. Use Goal Seek to make that change for him. How much do fees need to be?

Problem 2: Mr. Galbraith wants Advertising Expense and Supplies Expense both reduced to no more than $200.00. Make that change on the spreadsheet for him. What is net income with only that change?

Problem 3: Mr. Galbraith plans to pay half of the loan to Johnny’s Office Machines and Bank of Exton. If he does this, what is the difference in the balance sheet?

Problem 4: In continuing the projection of a $12,000 net income next month, on the balance sheet change cash to $12,000.00 and add $12,000.00 to the capital account. What is the ending capital now? What are the total assets?