

LESSON 18 Problem solving using a spreadsheet for Forecasting



You are presented with a lesson allowing you to use a spreadsheet to determine how much you should charge for a certain item. You will notice that we have provided you with prices and quantity for all items listed. You must adjust two items on the spreadsheet to obtain the greatest amount of money for selling those two items. When you adjust the price the quantity sold of the items goes up or down depending on how interested people appreciate your cost adjustment. This awareness is often overlooked and in the long run the managers are not making as much money as they would like. **YOU KNOW YOU ARE CORRECT IF YOUR FINAL TOTAL IS \$615,250**

The only two items you may adjust are HOT-DOGS and PEANUTS. We have narrowed it down to just those two so you would not spend hours trying to figure this one out. We have provided for you a list of how many are sold depending on the price that is being charged.

ITEMS	QTY	SALES PRICE	ITEMS	QTY	SALES PRICE
Hot-Dogs	40,000	\$5	PEANUTS	70,000	\$4
	50,000	4.00		59,000	5.00
	140,000	1.50		100,000	2.50
	120,000	2.00		120,000	2.00
				150,000	1.25

Place your name at the top and call

this Lesson 18. It would be best and easiest once you create the spreadsheet that you highlight the sheet and copy it and paste it to the right of the current spreadsheet. This will allow you to make adjustments to the second spreadsheet and you may now compare amounts.

1. Make sure you place **HOT-DOGS** IN ROW A8 so that your calculations are the same as mine or you will have to adjust accordingly.
2. Type in columns, do not do column E until you have finished completing the other columns first.
3. Place this equation in **CELL E8** $=((D8-B8)*C8)$ This will calculate the profit amount.
4. Use mouse or touchpad to highlight and Fill down to complete the column of equations in the final column.
5. The total amount **\$605.00** is obtained by adding up the last column. $=SUM(E7:E16)$

	A	B	C	D	E
1	CLEVELAND INDIANS BASEBALL				
2	FORECASTING ASSIGNMENT				
3					
4					
5					
6	ITEM	COST	QTY	SALE	PROFIT
7					
8	HOT-DOGS	\$ 0.25	80,000.00	\$ 2.75	\$200,000
9	COKE	\$ 0.20	10,000.00	\$ 1.75	\$15,500
10	POPCORN	\$ 0.10	10,555.00	\$ 1.00	\$9,500
11	PARKING	\$ 1.00	1,000.00	\$ 5.00	\$4,000
12	PEANUTS	\$ 0.25	80,000.00	\$ 3.75	\$280,000
13	T-SHIRTS	\$ 3.00	3,000.00	\$ 12.00	\$27,000
14	HATS	\$ 4.00	5,000.00	\$ 15.00	\$55,000
15	PENNANTS	\$ 1.00	2,000.00	\$ 8.00	\$14,000
16	TOTAL				\$605,000
17					