*What are your start-up expenditures? What are your cash reserves? Complete the table below:*

|  |  |  |  |
| --- | --- | --- | --- |
| Item | Why Needed | Vendor | Cost |
|  |  |  | $[ ] |
|  |  |  | [ ] |
|  |  |  | [ ] |
|  |  |  | [ ] |
|  |  |  | [ ] |
|  |  |  | [ ] |
| **Total Start-up Expenditures** | | | **$[ ]** |
| Emergency Fund *(1/2 of startup expenditures)* | | | [ ] |
| Reserve for Fixed Expenses *(covers 3 months of fixed expenses)* | | | [ ] |
| **Total Start-up Investment** | | | **$[ ]** |

How much of this start-up investment can you afford to pay yourself? \_\_\_\_\_\_\_\_\_\_\_\_\_

How much of the start-up investment will you need to finance? (Total Start-up Investment- What you can afford to pay) \_\_\_\_\_\_\_\_\_\_\_\_\_\_

**3.8 Financial Ratios**

*Return on Sales (ROS):*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Annual Net Profit |  | $[ ] | = | **[ ]%** | ≈ | **$[ ]** |
| Total Annual Sales | $[ ] |

*Return on Investment (ROI):*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Annual Net Profit |  | $[ ] | = | **[ ]%** | ≈ | **$[ ]** |
| Total Startup Investment | $[ ] |

*Breakeven Units (Monthly)*:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Fixed Monthly Expenses |  | $[ ] | = | **[ ]** | ≈ | **[ ] units** |
| Contribution Margin | $[ ] |