

# CHAPTER 19 Financing Your Business

## SOFTWARE ACTIVITY

## Spreadsheet Application

**OBJECTIVE:** Calculate startup costs.

Startup costs are the expenses that entrepreneurs will have when they are first setting up their businesses. To identify startup costs, entrepreneurs must review every aspect of their business plan, and list everything they will have to spend money on before the business even opens.

### Practice Situation

You have listed and estimated the startup expenses for your new business on the printout shown below. Use the spreadsheet program to calculate a subtotal for each category as well as a total for all expenses.

	Total Funds Required	Subtotals/Totals
<b>FIXED ASSETS</b>		
Equipment	\$11,500	
Fixtures	\$25,400	
Furniture	\$5,450	
Outdoor Signs	\$560	
<b>PRE-PAID ITEMS AND DEPOSITS</b>		
Rent Deposit	\$500	
Utilities Deposit	\$100	
Telephone Deposit	\$200	
Insurance Payments	\$850	
Taxes, Licenses, and Fees	\$150	
(Subtotal)		
<b>PRE-OPENING EXPENSES</b>		
Advertising and Promotion	\$1,500	
Training	\$800	
Legal and Accounting Services	\$2,000	
(Subtotal)		
<b>INVENTORY AND SUPPLIES</b>		
Goods Purchased	\$80,000	
Supplies	\$2,600	
(Subtotal)		
<b>WORKING CAPITAL</b>		
Petty Cash	\$200	
Projected Cash Deficits	\$5,000	
3-Month's Operating Expenses	\$28,500	
(Subtotal)		
<b>TOTALS</b>		