Financial Literacy module assessment

Financial Literacy module assessment This module will be assessed as follows: Please use the mini-case below for this assignment. Case: Hypothetical Company Business Plan Consider XYZ Company as a hypothetical newly formed corporation, the company has developed a proprietary product that offers a high-speed way to inspect the manufacturing of shoes for defects. Data indicate that 8 to 15 percent of shoes that leave a manufacturing line have defects. Quality control is a serious problem for manufacturers as; in aggregate it can be assumed that they produce over 200 million shoes per day worldwide. XYZ Company uses a unique technology for inspection and has applied for a patent on the technology. Product testing shows considerable detection success and the technology is much less costly than alternative mechanical methods of inspection and visual inspection. Visual inspection is prone to error and is very time-consuming. Preliminary market research indicates that, worldwide, there currently are 15,000 manufacturing lines that could be served using the XYZ Company’s technology. XYZ Company has developed the technology and a prototype, and has arranged for a host site where it can demonstrate the use of the system. The firm is seeking an additional $10 million from outside investors. It proposes to raise equity capital from a Private Equity firm by issuing them common stock at $1 per share. Minimum investment is $25,000. The entrepreneur and members of the board own existing equity. The management team is looking for additional expertise and is willing to consider for a well-qualified investor. You are a consultant for the XYZ Company, and have been assigned the role of writing up a draft business plan that will circulate to prospective investors such as a Venture Capitalist Prepare a hypothetical Draft Business Plan, which includes a hypothetical forecasted Income statement and a Balance sheet only for the next three years using the above information. You can make assumptions to include information in the financial statements relating to forecasted sales, gross profit, expenses, operating profit, possible assets, liabilities…etc.