Time Value of Money. Competency Determine current values of cash streams utilizing discounted cash flow techniques. Student Success Criteria View the grading rubric for this deliverable by selecting the “This item is graded with a rubric” link, which is located in the Details & Information pane. Scenario You are currently a financial analyst within Blue Butterfly Company, a small family owned corporation that manufactures magnetic bookmarks. Blue Butterfly management would like to provide a contributory pension plan for five current members of the management team. Management believes they can afford to invest $10,000 per month for the next 10 years. They anticipate the rate of return will be 8%. At the end of the 10 years, they expect retiring employees to start withdrawing from this pension plan. The anticipated longevity after retirement is expected to be 20 years, and management believes the rate of return on the investment to continue through the 20 years of retirement payout. Management has requested your assistance in determining relevant values so they can finalize the components of the pension plan. Instructions Using Excel, develop a spreadsheet presentation that covers the following: Explain the concept of the time value of money, including the present and future value of $1, and present and future value of an annuity. Explain the difference between the annuity payment at the beginning and the end of the period. Demonstrating the future value of the monthly cash investments for the next 10 years given the investment earns the projected 8% annual return. In Excel, calculate the total monthly payment that can be withdrawn from the investment over 20 years given the anticipated 8% annual rate of return continues to be met through the 20 years of retirement. Provide management the monthly payment amount that will be available to payout in monthly pension amounts. Assuming all five members of management will receive the same monthly annuity payment, provide management the proposed monthly retirement payment that can be offered to these five members of management. Use the built-in cash flow functions in Excel to perform all calculations, explaining in the adjacent cells the values you entered the function.