Individual: Visual Logic: Calculations

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**Brief Description of Tasks:**

**The first task of calculating ROI helps determine whether a company is continuing a profitable trend or is losing money on the investments it has made.**

**The second task of calculating ROIC helps determine the financial outlook for a company whether negative or positive in regards to capital invested. A positive ROIC brings more investors into the fold as a result and shares in the company are valued much higher. ROIC is reflective on how management is performing.**

**Formula 1**: ROI (Return on Investment) = (Earnings – Initial Investment) / Initial Investment

**Formula 2**: ROIC = (Return On Invested Capital) = (Net Income – Dividends) / Total Capital

Write: “This program will help to calculate both your companies ROI (Return on Investment) and ROIC (Return on Invested Capital).”

Write: “Please enter your name so that we can get started with our calculations.”

Input: String **YourName**

Write: “The first calculation that will perform is your Return on Investment.”

Write: **YourName** & “ please enter your earnings: ”

Input: **MyEarnings**

Write: “Next please enter your company’s Initial investment: “

Input: **InitialInvestment**

Process: Set **ReturnOnInvestment** = (**MyEarnings** – **InitialInvestment**) / **InitialInvestment**

Write: “Now that we have calculated your return on investment, let us calculate your company’s Return on Invested Capital.”

Write: **YourName** & “ please enter your company’s Net Income: “

Input: **NetIncome**

Write: “Next please enter your company’s Dividends: “

Input: **Dividends**

Write: “Lastly “ & **YourName** & “ please enter your company’s Total Capital: “

Input: **TotalCapital**

Process: Set **ReturnOnInvestedCapital** = (**NetIncome** – **Dividends**) / **TotalCapital**

Write: "Your company's ROI is " & **ReturnOnInvestment** & " and your company's ROIC is " & **ReturnOnInvestedCapital** & "."