MARMARA UNIVERSITY FACULTY OF ENGINEERING COMPUTER ENGINEERING

ECON 2004. 2 TERM PROJECT

FEASIBILITY STUDY FOR THE ORGANIC BUTTER INCLUDING COMPANY FORMATION BUDGET AND CASH FLOW FORECAST



Name of the Product : Organic Butter

Supplier: Sayraç Village

Agreed purchasing Price and amount:

800 kg _ 36 000 TL (1kg->45,Montly)



Introduction: Nowadays, people are constantly looking for organic products but the factories don't produce fully organic products in other words people don't trust factories.

The factories buy the milk at very low prices from the villagers and they produce butter. However, the villagers don't want to sell their products to factories because of low prices.

We can offer them more money for the butter and they will sell it us. As a result, we can sell it at high prices directly to the costumers who want organic butter.

Marketing: Directly to the Costumer (special delivery), Local Distributors.

INVESTMENT COST

VARIABLE COST

Freezer Deposit and related cost Other Cost	10.000 10.000 10.000	Total Project Cost TC+IC Total Amount Sold (kg) Cost Per KG	542.000 9.600 56,4583
Car	20.000	P=TR-TC TR= P X Q	
TOTAL INVESTMENT COST FIXED COST	50.000	Profit Expected Yearly TR Yearly	150.000 692.000
		To find sales price: TR/Q	
Rent	3.000	•	
Elec/Gas/Water/Fees	1.000	Sales Price Per Kg	72,08 TL
Car Fuel	1.000		
Accounting Tax Duties	500		
Promotion/Advertisement/web	500		
TOTAL MONTHLY FIXED COST	5000		
TOTAL YEARLY FIXED COST	60.000		

800 kg butter (monthly) 36.000

TOTAL VARIABLE COST 432.000

ORGANIC BUTTER PROJECT - CashFlow Forecast													
	Haz.20	Tem.20	Ağu.20	Eyl.20	Eki.20	Kas.20	Ara.20	Oca.21	Şub.21	Mar.21	Nis.21	May.21	Haz.21
OPENING BALANCE	0	59.000	31.916	19.048	20.396	18.078	15.561	12.775	23.365	33.954	54.543	75.132	75.132
<u>CASH IN</u>													
Capital	30.000												
Bank Loan	100.000												
Sales/Service		14.416	28.832	43.248	57.664	57.664	57.696	72.080	72.080	72.080	72.080	93.704	93.704
Donations													
Angel Investor													
Other from friend	20.000												
Total Money In	150.000	73.416	60.748	62.296	78.060	75.742	73.257	84.855	95.445	106.034	126.623	168.836	168.836
CASH OUT													
Rent	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
Investment+Office expenses	51.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
accountant / tax	500	500	500	500	500	500	500	500	500	500	500	500	500
Stationery	500	500	500	500	500	500	500	500	500	500	500	500	500
Car Fuel		500	700	900	1.000	1.200	1.500	1.500	1.500	1.500	1.500	1.500	1.500
BUTTER purchase	36.000	36.000	36.000	36.000	36.000	36.000	36.000	36.000	36.000	36.000	36.000	36.000	36.000
Loan repayment (%0,99)					17.982	17.982	17.982	8.991	8.991	8.991	8.991	8.991	8.991
payment to friend								10.000	10.000				
Total Money Out	91.000	41.500	41.700	41.900	59.982	60.182	60.482	61.491	61.491	51.491	51.491	51.491	51.491
Closing Balance	59.000	31.916	19.048	20.396	18.078	15.561	12.775	23.365	33.954	54.543	75.132	117.346	117.346