

Financial Analysis Project Report in Excel



Report:

Introduction:

The purpose of this project is to provide fundamental insights into how financial functions and terminologies work in Excel. It is essential to thoroughly understand the provided documentation and terms to efficiently utilize Excel's financial functions such as PV, NPV, XNPV, IRR, MIRR, and XIRR. This project involves analyzing a prepared dataset and applying these financial functions to derive meaningful financial insights.

Objectives of the Project:

- To analyze financial data and identify key trends.

- To compare different financial tools (NPV, IRR, MIRR, etc).
- To understand how financial decisions impact business performance.
- To develop insights that support informed decision-making.

Methodologies:

- Scope of the project: analysis of annuity, loan repayment, EMI calculation, and investment decision-making.
- **Application of Financial Models:**
- **Annuity Calculations** – Applied PV formulas to evaluate annuity due vs. ordinary annuity.
- **Loan & EMI Analysis** – Used EMI formulas and prepared amortization

schedules separate principal and interest.

- **Investment Evaluation** – Applied NPV, IRR, MIRR, and XIRR to assess profitability and risk.
- Comparative evaluation of different options before making decisions.

Insights:

- Annuity: Understood the concept of constant cash payments over time.
- Present Value (PV): Learned to calculate the current worth of future payments.
- Net Present Value (NPV) and XNPV: Compared different investments based on future cash flows.

- EMI: Determined the monthly installment for a loan and its components.
- Interest Rate and Loan Term: Calculated the effective interest rate and the duration required to repay a loan.
Internal Rate of Return (IRR) and Modified IRR (MIRR): Assessed the profitability of investments considering different cash flow timings and rates.

Conclusion:

- The financial analysis conducted in this project highlights the importance of evaluating cash flows, profitability and investment decisions using appropriate tools such as NPV, IRR, ANNUITY and depreciation method.
- Proper decision-making ensures better returns and sustainable growth.
- Systematic analysis supports strategic planning and long-term stability.