**Chips (Purchase) Assignment**

**Names in Group: Clay, Ben, Evan**

***Part 1***

1. Calculate the purchase price and the amount of debt (line of credit) needed to make the purchase. Show the calculations.
2. Calculate the WACC%. Show the calculations.
3. Calculate the profit $ needed to cover the cost of capital. Show the calculations.

***Part 2***

1. Calculate the adjusted variable costs (cost of goods sold) and fixed costs (operating expenses) for the year 2019. Show the calculations.
2. Calculate the breakeven number of cookies needed to sell to cover the fixed costs and earn the needed profit. Show the calculations.
3. Re-calculate the breakeven number of cookies needed to sell to cover the fixed costs and earn the needed profit based on changing managers from 3 to 2 and by reducing the lease by 5%. Show the calculations.
4. List at least 3 assumptions that need to be tested as part of our discovery-driven planning process.