



INVESTMENT OPPORTUNITIES EXERCISE

For this exercise, you're a junior analyst at a large investment firm. Your manager wants you to perform preliminary due diligence on a list of companies to identify businesses the company would be interested in purchasing. The firm requires companies to meet specific criteria to be considered for purchase. Those criteria include:

- Revenue greater than or equal to \$40 million
- Growth greater than or equal to 100%

The investment firm wants to make three acquisitions, each in a different industry to better diversify its portfolio. The firm is interested in the following industries:

- Education
- IT Services
- Telecommunications

Your manager gives you the CSV file (linked below) that has information about Inc. 5000 companies. Use Excel to sort the data in the file to produce a list of target companies that meet the required criteria for the three industries listed.

Exercise Instructions

To complete the exercise, you'll need to organize the data in the CSV file using the following functions/tools in Excel.

- IF
- AND
- Pivot Tables

Use the IF and AND functions to "flag" companies that meet specific criteria to be considered for purchase. To do this, create a new column to the right of the data and write "Is Match" (or something similar) in the header cell.

The "Is Match" column should contain a formula you create that "flags" the correct data in the sheet. Start the formula with an IF function followed by an AND function, which will verify that BOTH the revenue and growth of a company match the two prerequisites shown above.

While writing this formula, be sure to NOT HARDCODE DATA. It's common for a firm or a manager to change the analysis criteria.

When defining the “true” and “false” outcomes that the function will generate, pick something simple like a “1” for true and a “0” for false. You will use these “true” and “false” outputs to sort the data while performing the exercise. Once this function is populated in every row of the new column, this “flagging” portion of the exercise has been completed. The data will then need to be pulled into a pivot table for sorting.

Create a pivot table that references all the existing data, including the new column you filled with the “flagging” function, in a new worksheet. You will need to define what the table spits out by doing the following:

- Place the company name and industry in the rows field (shown in the pivot table as rows)
- Place the revenue and growth in the values field (shown in the pivot table as columns)

After you have set up your Pivot table with the above criteria, create two slicers that will allow you to filter data into groups that only match the purchase criteria and industry. This reduced list is what you will submit for this assignment.

Exercise File

Below is the file you will use to complete this exercise.

[Inc 5000 Company Data](#)

Glossary

Absolute References [Explained](#)

AND Function [Explained](#)

Due diligence – A rigorous process that determines whether or not the venture capital fund or another investor will invest in a company.

Hardcoding [Explained](#)

IF Function [Explained](#)

Pivot Tables [Explained](#)

Slicers [Explained](#)