



# Goal Seek and Solver

FINANCIALEDGE<sup>7</sup>

## Contents

---

- Goal Seek
- Solver

FINANCIALEDGE<sup>7</sup>

## Goal Seek



- Start with your cursor on the cell you want to 'set'
- Type the value of the **target** you are trying to hit
- Pick the **input cell** that drives the 'set cell'

Using goal seek (IRR is the discount rate that makes NPV = 0)

Discount rate						
	t0	t1	t2	t3	t4	t5
Cash flows	-20.0	0.0	0.0	0.0	0.0	60.0
Discount factor	1.000	0.909	0.826	0.751	0.683	0.621
Discounted cash flow	-20.0	0.0	0.0	0.0	0.0	37.3
NPV						

Goal Seek dialog box showing the following values:

- Set cell: \$C\$21
- To value: 0
- By changing cell: \$C\$15

## Solver



Install Solver Add-In

Set the **objective** cell (optional)

These are the cells you want the solver tool to change (**inputs**)

These are the **rules** you want the solver tool to abide by

Solver Parameters dialog box showing the following values:

- Set Objective: [Cell Reference]
- To: ☒ Max ☐ Min ☐ Value Of: 0
- By Changing Variable Cells: [Cell Reference]
- Subject to the Constraints: [List of Constraints]
- ☒ Make Unconstrained Variables Non-Negative
- Select a Solving Method: GRG Nonlinear

