

# 3X-in-10™ Learning Check Answer Key



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## Questions 1–5:

1. Fill in the blank: Royalty- or revenue-based growth capital provides funding in return for **a fixed percentage of top-line revenue.** (Part 1)
2. True or False: A revenue royalty or revenue sharing loan agreement is completed when payments reach a “cap”? **True** (Part 1)
3. Yes or No: Is a revenue sharing loan agreement a liquid asset? **No, but it does provide liquidity in the form of revenue sharing repayments.** (Part 1)
4. Fill in the blank: Compounding interest has been called **the eighth wonder of the world.** (Part 1)
5. Fill in the blank: In the video titled “A Different View on Impact Investing” (see Home/page 3 of website), 2.3X-in-10 translates to **8.7%.** (Part 1)

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## Questions 6–9:

6. Fill in the two blanks: If I invest \$1,000 in Company ZWT and they're making a 3X-in-10™ Revenue Sharing Offer, my investment multiple is **3X** and the potential dollars I could receive at the end of ten years is **\$3,000**. *(Part 2)*
7. Fill in the blank: 3X-in-10™ is investor code for **triple your investment in ten years**. *(Part 2)*
8. True or false: Revenue base is not one of the six key numbers for crafting or evaluating a revenue sharing offer. **False** *(Part 2)*
9. Fill in the blank: Growth capital is **an investment of funds from patient investors who partner with management to build a sustainable, high-impact enterprise**. *(Part 2)*

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## Questions 10-13:



10. Answer this question: A safe starting point for estimating the amount of growth capital to raise is **25%** of net revenue. **(Part 2)**
11. True or false: Average annual revenue growth is not a factor in revenue-based finance or revenue sharing. **False (Part 2)**
12. Fill in the blank: Typically **1–10%** is the revenue sharing percentage used by enterprises seeking revenue-based growth capital from investors. **(Part 2)**
13. True or False: The Return on Investment measure does not take the Time Value of Money into account. **True (Part 3)**

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## Questions 14-17:



14. True or False: Internal Rate of Return (IRR) is also called the average annual investment return. **True (Part 3)**
15. True or False: Investors never use IRR to judge the viability or attractiveness of an investment opportunity. **False (Part 3)**
16. True or False: The 3X-in-10™ Calculators can only be used by investors. **False (Part 4)**
17. True or False: The 3X-in-10™ model and calculators are based on a **hypothetical** business enterprise. **(Part 4)**

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## Questions 18-19:



18. Use the top 3X-in-10™ Calculator and fill in the blank: The potential IRR for a business enterprise with these key numbers in their 3X-in-10™ Revenue Sharing Offer is **23.3%**. *(Part 4)*

- \$750,000 revenue base
- Seeking \$187,500 in revenue-based capital
- Estimates an annual revenue growth rate of 10%
- Willing to share 5% of top-line revenue with investors

19. Use the middle 3X-in-10™ Calculator and fill in the blank: If you invested \$1,500 in the above example, the Annual Yield in Year 7 would be **35.4%**. *(Part 4)*

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## Question 20:



20. Use the bottom 3X-in-10™ Calculator and fill in the blank: If you continued to reinvest your revenue sharing repayments in other 3X-in-10™ Offers with the same key numbers as in the top calculator, the potential total cash returned would be **\$6,955. (Part 4)**