LITTLE FINANCE HEROES

AI Investing Practice Lab

Six guided cases for beginner investors



COMPANION TO LESSONS 16, 19 AND 23

START

How to use this companion

This practice lab extends the original How to Use AI for Investing workbook. Work through the cases with a pen or paste the entire prompt box into your AI tutor.

Write your own result before reading the worked answer. When you use real research, keep a record of the source, page, date and assumptions.

The cases use fictional companies and amounts. Use public documents and keep account details out of the chat.

Cases on pages 3–8. Worked answers on pages 9–10. Reusable research sheet on page 11.

CASE 01 / LESSON 16

Who pays the company?

Circuit Works reports €90m of processor sales and €30m of service sales.

COPY THE WHOLE PROMPT

Circuit Works reports €90m of processor sales and €30m of service sales. Calculate the revenue mix using only the figures supplied. Explain what I should check before describing the services as recurring. Show your reasoning. List missing information separately.

CHECK IT YOURSELF

Find the segment notes and check contract terms, renewals and customer concentration.



BYTE'S TIP

Sales tell you where the money came from. Contracts help you find out whether it is likely to come back.

My result or calculation

Evidence I checked

Still to verify

CASE 02 / LESSON 16

One customer matters

A fictional supplier reports €200m revenue. Its largest customer accounts for €70m.

COPY THE WHOLE PROMPT

A fictional supplier reports €200m revenue. Its largest customer accounts for €70m. Calculate the share of sales from the largest customer. If that customer bought 20% less and all else stayed equal, estimate total sales. List what this model leaves open. Show your reasoning. List missing information separately.

CHECK IT YOURSELF

Check the source period and whether the customer figure and total use the same reporting basis.

My result or calculation

Evidence I checked

Still to verify

CASE 03 / LESSON 19

From profit to cash

A fictional report shows €120m net profit and €80m operating cash flow for the same year.

COPY THE WHOLE PROMPT

A fictional report shows €120m net profit and €80m operating cash flow for the same year. Compute the difference. List three lines in the cash flow reconciliation to inspect and explain why the figures alone cannot identify the cause. Show your reasoning. List missing information separately.

CHECK IT YOURSELF

Open the reconciliation and trace each adjustment for the same year. Check its sign and unit.

My result or calculation

Evidence I checked

Still to verify

CASE 04 / LESSON 19

Build the bridge

Start at €50m profit. Add €10m depreciation, subtract €8m for increased receivables and €7m for increased inventory. Assume these are the only adjustments.

COPY THE WHOLE PROMPT

Start at €50m profit. Add €10m depreciation, subtract €8m for increased receivables and €7m for increased inventory. Assume these are the only adjustments. Reconcile profit to operating cash flow. Explain in one sentence why an increase in unpaid customer bills can reduce cash flow relative to profit. Show your reasoning. List missing information separately.

CHECK IT YOURSELF

Check that a positive change in receivables is shown as a subtraction in this simplified bridge.



BYTE'S TIP

Put a plus or minus sign beside every adjustment before you add up the bridge.

My result or calculation

Evidence I checked

Still to verify

CASE 05 / LESSON 23

A red day checklist

A fictional holding falls 15%. The investor originally planned to use the money in eight years.

COPY THE WHOLE PROMPT

A fictional holding falls 15%. The investor originally planned to use the money in eight years. Ask four questions to separate a price move, a change in the investment and a change in the investor's circumstances. Leave the choice of action open. Show your reasoning. List missing information separately.

CHECK IT YOURSELF

Write one confirmed fact and one item still to verify. Identify whether the spending date has changed.



BYTE'S TIP

Write down what changed in the business, in the price and in your own plans. Check them separately.

My result or calculation

Evidence I checked

Still to verify

CASE 06 / LESSON 23

Same fall, different plans

Two fictional investors see the same 15% decline. Sam needs the money in six months. Noor expects to need it in ten years.

COPY THE WHOLE PROMPT

Two fictional investors see the same 15% decline. Sam needs the money in six months. Noor expects to need it in ten years. Compare the questions each investor should review. Include liquidity, time horizon and risk. Avoid telling either person to trade. Show your reasoning. List missing information separately.

CHECK IT YOURSELF

Write a two-line review note. State the goal, when cash is needed and what information is missing.

My result or calculation

Evidence I checked

Still to verify

WORKED ANSWERS

Cases 1–3

01 Who pays the company?

Total €120m. Processors account for 75% and services for 25%. The example gives no evidence that service sales recur.

02 One customer matters

Largest customer: 35%. A 20% cut from €70m is €14m. Model sales fall to €186m. Actual outcomes depend on other customers, prices and costs.

03 From profit to cash

Difference €40m. Look for changes in receivables, inventory and non-cash items such as depreciation. These two totals cannot identify the cause on their own.

Cases 4–6

04 Build the bridge

€50m + €10m − €8m − €7m = €45m. Revenue may already be recorded while customers have yet to pay.

05 A red day checklist

Possible questions: What changed in the business? Which source confirms it? When is the money needed? Has the acceptable loss changed? A price move alone leaves these open.

06 Same fall, different plans

Sam has a near-term cash deadline and needs to check what is available when the bill comes. Noor has more time, but still needs to review risk and whether the investment fits the plan.

Sources for further reading

SEC | Beginner's Guide to Financial Statements

SEC | What to consider before making investing decisions

Educational examples. Cover image made with AI.

RESEARCH SHEET

From AI answer to evidence

Pick one claim. Open the original document and record the exact page or section.

The claim and the AI answer

Source, date, reporting period and page

What the source actually says

My conclusion and the next check

Status: supported / contradicted / unresolved