Project Two Guidelines and Rubric

Competencies

In this project, you will demonstrate your mastery of the following competencies:

- Analyze financial and investment decisions that add value to the organization
- Analyze financing options to maximize investor value

Scenario

You are a financial analyst for the chosen business that you selected during your Module Two Journal assignment. Your supervisor has discovered last minute that your business's board of directors is looking for updates on the business's financial health. Your supervisor has asked you to write a report regarding the business's current financial health and the available financial options for improving the business. You've also been asked to make recommendations as to which options the business should choose to best support its financial health. Your supervisor will then use your report to present to the business's board of directors, whose members all have varying levels of knowledge in terms of finance.

Directions

Using the business you chose from the Project Two Business Options List, create a report for your supervisor to share with the board of directors during their presentation. Keep in mind that your report needs to be easy for someone unfamiliar with finance to understand, as not all of the board members for your business fully understand finance.

Using Mergent Online, locate the most recent quarterly financial statements for your chosen company, and use these statements to support your analysis throughout the project. Refer to the Project Two Financial Assumptions document located in the Supporting Materials section for the assumptions you need in order to analyze the three available financial options outlined in the Financial Analysis section of the project directions.

You are encouraged to use the Project Two Financial Analyst Report template located in the What to Submit section to help complete this project.

Specifically, you must address the following:

1. **Financial Analysis**: In this section of the report, you will use the most recent quarterly financial statements for your chosen business and the Project Two Financial Formulas spreadsheet (located in the What to Submit section) to calculate appropriate financial formulas for assessing the business's financial health. You will also analyze all three available financial options for improving the business based on your calculations and the provided Project Two Financial Assumptions document.

A. **Financial Calculations:** Calculate accurate financial formulas to assess the business's current financial health. Specifically, you must calculate the following:

- Working capital
- Current ratio
- Debt ratio
- Earnings per share
- Price/earnings ratio
- Total asset turnover ratio
- Financial leverage
- Net profit margin
- Return on assets
- Return on equity

B. **Working Capital Management:** Explain the impact of working capital management on the business's operations. Provide examples to support your claims.

C. **Bond Investment:** Analyze the risks and benefits of the business choosing to invest in a corporate bond, including the necessary ethical considerations, appropriate calculations, and examples to support your analysis.

D. **Capital Equipment:** Analyze the risks and benefits of the business choosing to invest in capital equipment, including the necessary ethical considerations, appropriate calculations, and examples to support your analysis.

E. **Capital Lease:** Analyze the risks and benefits of the business choosing to purchase a capital lease, including the necessary ethical considerations, appropriate calculations, and examples to support your analysis.

2. **Financial Evaluation:** In this section of the report, you will evaluate the three available financial options for the business and recommend which option(s) are the best for the business to choose.

A. **Financing:** Explain how a business finances its operations and expansion.

B. **Bond Investment:** Assess the appropriateness of a bond investment as a financing option for the business's financial health, using your financial analysis and other financial information to your support claims.

C. **Capital Equipment:** Assess the appropriateness of a capital equipment investment as a financing option for the business's financial health, using your financial analysis and other financial information to support your claims.

D. **Capital Lease:** Assess the appropriateness of a capital lease purchase as a financing option for the business's financial health, using your financial analysis and other financial information to support your claims.

E. **Short-Term Financing:** Explain how potential short-term financing sources could help the business raise needed funds for improving its financial health. Base your response on the business's current financial information.

F. **Future Financial Considerations:** Describe the business's likely future financial performance based on its current financial well-being and risk levels. Use financial information to support your claims.

3. **Financial Recommendations:** In this section of the report, you will recommend which financing option(s) are the best for the business to choose depending on its financial health.

A. **Financial Recommendation(s):** Recommend the most appropriate financing option(s) based on the business's financial health, including a rationale for why the option(s) are best.

What to Submit

To complete this project, you must submit the following:

Financial Analysis Report
Submit your completed report as a 3- to 5-page Word document with 12-point Times New Roman font, double spacing, and one-inch margins. Or, you may use the provided Project Two Financial Analyst Report template if you so choose to help you complete your report.

You will also need to submit the Excel files for your chosen business's balance sheet, income statement, and cash flow statement from Mergent Online.

Spreadsheet: Project Two Financial Formulas
Use this Excel spreadsheet to complete your calculations for the project. You should have already completed parts of the spreadsheet for your Project Two Milestone assignment.

All sources, including your Project Two Financial Formulas spreadsheet, should be cited according to APA style.

Supporting Materials

The following resources support your work on the project:

Document: Project Two Financial Assumptions
Use this document to help you complete this project.

Document: Project Two Business Options List
Use this document to select your chosen business for this project.

Shapiro Library Resource: Mergent Online
Use this resource to help you complete this project.

Video: Mergent Online: Public Company Financials (4:46)
Watch this video from the Shapiro Library to learn more about how to access and use Mergent Online.

Shapiro Library FAQ: How Do I Cite a Company Profile From Mergent Online?
Use this resource to help answer any questions you have about citing from Mergent Online.

Project Two Rubric

Criteria	Exemplary	Proficient	Needs Improvement	Not Evident	Value
Financial Analysis: Financial Calculations	N/A	Calculates accurate financial formulas to assess the business's current financial health (100%)	Shows progress toward proficiency, but with errors or omissions; areas for improvement may include calculating more accurate financial formulas to assess the business's current financial health (55%)	Does not attempt criterion (0%)	6
Financial Analysis: Working Capital Management	Exceeds proficiency in an exceptionally clear, insightful, sophisticated, or creative manner (100%)	Explains the impact of working capital management on the business's operations, providing examples to support the claims (85%)	Shows progress toward proficiency, but with errors or omissions; areas for improvement may include explaining in further detail	Does not attempt criterion (0%)	6

			the impact of working capital management on the business's operations or the examples provided to support the claims (55%)		
Financial Analysis: Bond Investment	Exceeds proficiency in an exceptionally clear, insightful, sophisticated, or creative manner (100%)	Analyzes the risks and benefits of the business choosing to invest in a bond, including the necessary ethical considerations, appropriate calculations, and examples to support the analysis (85%)	Shows progress toward proficiency, but with errors or omissions; areas for improvement may include analyzing more comprehensively the risks and benefits of the business choosing to invest in a bond, including the necessary ethical considerations, appropriate calculations, and examples to support the analysis (55%)	Does not attempt criterion (0%)	8
Financial Analysis: Capital Equipment	Exceeds proficiency in an exceptionally clear, insightful, sophisticated, or creative manner (100%)	Analyzes the risks and benefits of the business choosing to invest in capital equipment, including the necessary ethical considerations, appropriate calculations, and examples to support the analysis (85%)	Shows progress toward proficiency, but with errors or omissions; areas for improvement may include analyzing more comprehensively the risks and benefits of the business choosing to invest in capital equipment, including the necessary ethical considerations, appropriate calculations, and examples to support the analysis (55%)	Does not attempt criterion (0%)	8
Financial Analysis: Capital Lease	Exceeds proficiency in an exceptionally clear, insightful, sophisticated, or creative manner (100%)	Analyzes the risks and benefits of the business choosing to purchase a capital lease, including the necessary ethical considerations, appropriate calculations, and examples	Shows progress toward proficiency, but with errors or omissions; areas for improvement may include analyzing more comprehensively the risks and benefits of the business	Does not attempt criterion (0%)	8

		calculations, and examples to support the analysis (85%)	and benefits of the business choosing to purchase a capital lease, including the necessary ethical considerations, appropriate calculations, and examples to support the analysis (55%)		
Financial Evaluation: Financing	Exceeds proficiency in an exceptionally clear, insightful, sophisticated, or creative manner (100%)	Explains how a business finances its operations and expansion (85%)	Shows progress toward proficiency, but with errors or omissions; areas for improvement may include explaining in more detail how a business finances its operations and expansion (55%)	Does not attempt criterion (0%)	7
Financial Evaluation: Bond Investment	Exceeds proficiency in an exceptionally clear, insightful, sophisticated, or creative manner (100%)	Assesses the appropriateness of a bond investment as a financing option for the business's financial health, using financial analysis and other financial information to support the claims (85%)	Shows progress toward proficiency, but with errors or omissions; areas for improvement may include assessing more comprehensively the appropriateness of a bond investment as a financing option for the business's financial health or better using financial analysis and other financial information to support the claims (55%)	Does not attempt criterion (0%)	8
Financial Evaluation: Capital Equipment	Exceeds proficiency in an exceptionally clear, insightful, sophisticated, or creative manner (100%)	Assesses the appropriateness of a capital equipment investment as a financing option for the business's financial health, using financial analysis and other financial information to support the claims (85%)	Shows progress toward proficiency, but with errors or omissions; areas for improvement may include assessing more comprehensively the appropriateness of a capital equipment investment as a financing option for the business's financial health or	Does not attempt criterion (0%)	8

			better using financial analysis and other financial information to support the claims (55%)		
Financial Evaluation: Capital Lease	Exceeds proficiency in an exceptionally clear, insightful, sophisticated, or creative manner (100%)	Assesses the appropriateness of a capital lease purchase as a financing option for the business's financial health, using financial analysis and other financial information to support the claims (85%)	Shows progress toward proficiency, but with errors or omissions; areas for improvement may include assessing more comprehensively the appropriateness of a capital lease purchase as a financing option for the business's financial health or better using financial analysis and other financial information to support the claims (55%)	Does not attempt criterion (0%)	8
Financial Evaluation: Short-Term Financing	Exceeds proficiency in an exceptionally clear, insightful, sophisticated, or creative manner (100%)	Explains how potential short-term financing sources could help the business raise needed funds for improving its financial health, based on the business's current financial information (85%)	Shows progress toward proficiency, but with errors or omissions; areas for improvement may include explaining in further detail how potential short-term financing sources could help the business raise needed funds for improving its financial health, based on the business's current financial information (55%)	Does not attempt criterion (0%)	7
Financial Evaluation: Future Financial Considerations	Exceeds proficiency in an exceptionally clear, insightful, sophisticated, or creative manner (100%)	Describes the business's likely future financial performance based on its current financial well-being and risk levels (85%)	Shows progress toward proficiency, but with errors or omissions; areas for improvement may include describing in further detail the business's likely future financial performance based on its current financial well-being and risk levels (55%)	Does not attempt criterion (0%)	6

Financial Recommendation(s)	Exceeds proficiency in an exceptionally clear, insightful, sophisticated, or creative manner (100%)	Recommends the most appropriate financing option(s) based on the business's financial health, including a rationale for why the option(s) are best (85%)	Shows progress toward proficiency, but with errors or omissions; areas for improvement may include recommending more comprehensively the most appropriate financing option(s) based on the business's financial health, including a rationale for why the option(s) are best (55%)	Does not attempt criterion (0%)	7
Articulation of Response	Exceeds proficiency in an exceptionally clear, insightful, sophisticated, or creative manner (100%)	Clearly conveys meaning with correct grammar, sentence structure, and spelling, demonstrating an understanding of audience and purpose (85%)	Shows progress toward proficiency, but with errors in grammar, sentence structure, and spelling, negatively impacting readability (55%)	Submission has critical errors in grammar, sentence structure, and spelling, preventing understanding of ideas (0%)	8
Citations and Attributions	Uses citations for ideas requiring attribution, with few or no minor errors (100%)	Uses citations for ideas requiring attribution, with consistent minor errors (85%)	Uses citations for ideas requiring attribution, with major errors (55%)	Does not use citations for ideas requiring attribution (0%)	5
				Total:	100%