

- **Report:**

- This is a **written** report
- You can use excel sheets as supplementary material and attach it to the final document as pdf
- Wordcount: minimum 1000 words
- Structure of the report: 4 sections (1: liquidity analysis, 2: activity analysis, 3: leverage analysis, 4: profitability analysis)
- Ratios without explanation won't be considered for your grade.

- **Presentation:**

- Slides: minimum 8 slides (8 minutes presentation + questions)

You are reporting to the CEO of one of the companies listed and described below. You must **choose one of the two companies described below** and:

- a) write a report that analyses:
 1. The liquidity of the company
 2. The efficiency of the company
 3. The leverage of the company
 4. The profitability of the company

 - b) Prepare a presentation that summarizes your report and present it in class. Maximum 8 minutes presentation (around 8 slides)
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List of companies

1. W & Y

W & Y is a large wholesale company selling high-end mountain clothing. It has its own factories in Spain and Morocco and sells in the European market. In 2018, the company changed part of its management team and decided to bet on creating products with a new fiber, investing in new machinery. You are the head of the financial department, and you must present a report for your CEO explaining the company's performance in 2018 (comparing with 2017).

DATA (also available in excel format online)		
W&Y Corporation Balance Sheet		
	<u>2017</u>	<u>2018</u>
Cash	\$300	\$495
Accounts receivable	700	915
Inventories	600	780
Other current assets	<u>125</u>	<u>160</u>
Total current assets	\$1.725	\$2.350
Gross fixed assets	\$4.650	\$4.950
Accumulated depreciation	<u>-1.700</u>	<u>-2.200</u>
Net fixed assets	\$2.950	\$2.750
Total assets	<u>\$4.675</u>	<u>\$5.100</u>
LIABILITIES (DEBT) AND EQUITY		
Accounts payable	\$400	\$640
Short-term notes payable	<u>250</u>	<u>300</u>
Total current liabilities	\$650	\$940
Long-term debt	<u>\$1.250</u>	<u>\$1.325</u>
Total liabilities	\$1.900	\$2.265
Common stock (par & paid in capital)	\$1.100	\$1.100
Retained earnings	<u>1.675</u>	<u>1.735</u>
Total common equity	<u>\$2.775</u>	<u>\$2.835</u>
Total liabilities and equity	<u>\$4.675</u>	<u>\$5.100</u>
W&Y Corporation Income Statement		
Sales	\$5.700	\$5.400
Cost of goods sold	<u>-3.700</u>	<u>-3.600</u>
Gross profits	\$2.000	\$1.800
Operating expenses:		
Selling and G&A expenses	(\$820)	(\$780)
Depreciation expenses	<u>-340</u>	<u>-500</u>
Total operating expenses	<u>(\$1.160)</u>	<u>(\$1.280)</u>
Operating income (earnings before in	\$840	\$520
Interest expense	<u>-200</u>	<u>-275</u>
Earnings before taxes	\$640	\$245
Income taxes	<u>-230</u>	<u>-65</u>
Net Income	<u>\$410</u>	<u>\$180</u>
Number of shares (thousands)		
	150	150
Dividends (\$thousands)		
	\$120	\$120
Market price per share		
	\$36	\$18