

## Final Project Part II

### Part II Overview

For this part of the final project, you will be given a scenario in which you are asked to illustrate your financial computation and analysis skills.

This part of the assessment addresses the following course outcomes:

- Compute financial ratios, time value, variables, and returns using industry standard tools for optimizing financial success
- Analyze corporate financial data for multiple companies in evaluating past and future financial performances

### Part II Prompt

For this section of your employment exam, you will select two companies. The first company needs to come from your TDAU thinkorswim portfolio. The second needs to be a competitor of the first company from the same industry. You will be responsible for collecting, synthesizing, and making decisions regarding both companies. After evaluating these companies' financial data, you will then decide which company's stock is the better investment.

This section of your employment examination must be submitted in two parts. Part A will contain the workbooks that house all of your quantitative data and formulas, along with any of the information that is relevant for your chosen companies. Part B will contain your answers to the questions asked below, composed in a cohesive manner. If you are referring to data that is found within the workbooks in Part A, be sure to include a citation—for example, "rate of return is 3.570 USD (E64, WB2)," where E64 is the cell that the calculation took place in and WB2 is designating "workbook 2." This ensures that your instructor can quickly and accurately check data entry, formula use, and financial calculations.

Your submission must address the following **critical elements**:

#### I. Preparing the Workbooks

- Download** the annual income statements, balance sheets, and cash flow statements for the last three completed fiscal years for your chosen companies. This information must be included in your final submission.
- Prepare a **worksheet** for each of the companies to display their financial data for the last three fiscal years. Ensure your data is accurate and organized. Include these worksheets as a workbook in your final submission.
- Find historical **stock prices** for both companies and add this information to the respective spreadsheets. Consider the appropriate date range you should use.

#### II. Three-Year Returns

- What is the three-year return on the stock price of the **first company (Company A)**? How is the stock performing? Ensure that you use the appropriate formula in your spreadsheets to calculate the three-year return on the given company's stock price.
- What is the three-year return on the stock price of the **second company (Company B)**? How is this stock performing? Ensure that you use the appropriate formula in your spreadsheets to calculate the three-year return on your chosen company's stock price.
- How do these two stocks **compare** in terms of three-year returns? What does this indicate about these two companies?

*Wesley R*

### III. Financial Calculations

- A. Using the appropriate spreadsheets, which are to be included in the workbooks, calculate the **price-to-earnings ratio** for the last three fiscal years of the given and your chosen companies. Be sure that you are entering and using the correct formula.
- B. Using the appropriate spreadsheets, which are to be included in the workbooks, calculate the **debt-to-equity ratios** for the last three fiscal years of the given and your chosen companies. Be sure that you are entering and using the correct formula.
- C. Using the appropriate spreadsheets, which are to be included in the workbooks, calculate the **return-on-equity ratios** for the last three fiscal years of the given and your chosen companies. Be sure that you are entering and using the correct formula.
- D. Using the appropriate spreadsheets, which are to be included in the workbooks, calculate the **earnings per share** for the last three fiscal years of the given and your chosen companies. Be sure that you are entering and using the correct formula.
- E. Using the appropriate spreadsheets, which are to be included in the workbooks, calculate the **profit margins** for the last three fiscal years of the given and your chosen companies. Be sure that you are entering and using the correct formula.
- F. Using the appropriate spreadsheets, which are to be included in the workbooks, calculate the **free cash flows** for the last three fiscal years of the given and your chosen companies. Be sure that you are entering and using the correct formula.

### IV. Industry Averages

- A. Obtain current **industry averages** of three of the financial calculations above for both companies and add this information to your spreadsheet for comparison. Ensure the accuracy and organization of your data.
- B. In this context, how is each company's **financial health**? How do these two companies compare to one another? Consider the appropriate date range you should use.

### V. Performance Over Time

- A. Analyze the performance of the **Company A** over time. What financial strengths and weaknesses does this company have? Consider addressing the free cash flows and ratios you calculated earlier.
- B. Analyze the performance of your **Company B** over time. What financial strengths and weaknesses does this company have? Consider addressing the free cash flows and ratios you calculated earlier.
- C. Analyze how the data **differ** between these two companies. Why do you think this is? Consider addressing the free cash flows and ratios you calculated earlier.

### VI. Investment

- A. Are the companies considered **growth or value** companies? Why?
- B. Which company's **stock** is the better investment? Consider supporting your answer with data.

**Final Project Part II Rubric**

**Guidelines for Submission:** This part of the final project will be submitted in two parts. Part A will contain the workbooks that house all of your quantitative data and formulas, along with any of the information that is relevant for your chosen company. Part B will contain your answers to the prompts, composed in a cohesive manner. Part B should use double spacing, 12-point Times New Roman font, and one-inch margins. Citations should be formatted according to APA style.

Critical Elements	Exemplary	Proficient	Needs Improvement	Not Evident	Value
<b>Preparing: Download</b>		Downloads and includes annual income statements, balance sheets, and cash flow statements for the last three fiscal years for chosen companies (100%)	Downloads and includes annual income statements, balance sheets, and cash flow statements for chosen companies but is missing various components (55%)	Does not download and include annual income statements, balance sheets, and cash flow statements for the last three fiscal years for chosen companies (0%)	2
<b>Preparing: Worksheet</b>		Prepares worksheet for chosen and given companies, displaying all financial data for the last three fiscal years in an accurate and organized manner (100%)	Prepares worksheet for chosen and given companies, displaying financial data for the last three fiscal years, but worksheets are unorganized, inaccurate, or incomplete (55%)	Does not prepare worksheets for both the chosen and given companies (0%)	2
<b>Preparing: Stock Prices</b>		Adds historical stock prices for an appropriate date range for the chosen and given companies to their respective worksheets (100%)	Adds historical stock prices for the chosen and given companies, but data has been inaccurately entered or is not for an appropriate date range (55%)	Does not add historical stock prices for the given and chosen companies to their respective worksheets (0%)	2
<b>Returns: Company A</b>	Meets "Proficient" criteria and logically explains reasoning behind indication of stock performance (100%)	Correctly calculates the three-year return on the stock price of the given company and accurately indicates how this stock is performing (85%)	Calculates the three-year return on the stock price of the given company, but calculation is incorrect or indication of how this stock is performing is inaccurate or missing (55%)	Does not calculate the three-year return on the stock price of the given company (0%)	5.63
<b>Returns: Company B</b>	Meets "Proficient" criteria and logically explains reasoning behind indication of stock performance (100%)	Correctly calculates the three-year return on the stock price of the chosen company and accurately indicates how this stock is performing (85%)	Calculates the three-year return on the stock price of the chosen company, but calculation is incorrect or indication of how this stock is performing is inaccurate or missing (55%)	Does not calculate the three-year return on the stock price of the chosen company (0%)	5.63
<b>Returns: Compare</b>	Meets "Proficient" criteria, and explanation demonstrates nuanced understanding of three-year returns and their implications (100%)	Compares the three-year returns of the given and chosen companies, explaining what this indicates about each company (85%)	Compares the three-year returns of the given and chosen companies, but explanation of what this indicates about each company is cursory or missing (55%)	Does not compare the three-year returns of the given and chosen companies (0%)	6.43

Calculations: Price-to-Earnings Ratios		Correctly calculates the price-to-earnings ratios for the last three fiscal years of the given and chosen companies (100%)	Calculates the price-to-earnings ratios of the given and chosen companies, but calculations are incorrect or do not consider the last three fiscal years (55%)	Does not calculate the price-to-earnings ratios of the given and chosen companies (0%)	5.63
Calculations: Debt-to-Equity Ratios		Correctly calculates the debt-to-equity ratios for the last three fiscal years of the given and chosen companies (100%)	Calculates the debt-to-equity ratios of the given and chosen companies, but calculations are incorrect or do not consider the last three fiscal years (55%)	Does not calculate the debt-to-equity ratios of the given and chosen companies (0%)	5.63
Calculations: Return-on-Equity Ratios		Correctly calculates the return-on-equity ratios for the last three fiscal years of the given and chosen companies (100%)	Calculates the return-on-equity ratios of the given and chosen companies, but calculations are incorrect or do not consider the last three fiscal years (55%)	Does not calculate the return-on-equity ratios of the given and chosen companies (0%)	5.63
Calculations: Earnings Per Share		Correctly calculates the earnings per share for the last three fiscal years of the given and chosen companies (100%)	Calculates the earnings per share of the given and chosen companies, but calculations are incorrect or do not consider the last three fiscal years (55%)	Does not calculate the earnings per share ratios of the given and chosen companies (0%)	5.63
Calculations: Profit Margins		Correctly calculates the profit margins for the last three fiscal years of the given and chosen companies (100%)	Calculates the profit margins of the given and chosen companies, but calculations are incorrect or do not consider the last three fiscal years (55%)	Does not calculate the profit margins of the given and chosen companies (0%)	5.63
Calculations: Free Cash Flows		Correctly calculates the free cash flows for the last three fiscal years of the given and chosen companies (100%)	Calculates the free cash flows of the given and chosen companies, but calculations are incorrect or do not consider the last three fiscal years (55%)	Does not calculate the free cash flows of the given and chosen companies (0%)	5.63
Industry Averages: Industry Averages:		Adds current industry averages for chosen and given companies to worksheet in an accurate and organized manner (100%)	Adds current industry averages for chosen and given companies to worksheets, but some data is inaccurate, unorganized, or missing (55%)	Does not add current industry averages for chosen and given companies to worksheets (0%)	2
Industry Averages: Financial Health	Meets "Proficient" criteria and includes current industry averages within an appropriate date range (100%)	Analyzes the given and chosen companies' financial health by comparing the two companies' current industry averages (85%)	Analyzes the given and chosen companies' financial health by comparing the two companies' industry averages but does not consider the current industry rates (55%)	Does not analyze the given and chosen companies' financial health (0%)	6.43
Performance: Company A	Meets "Proficient" criteria and references free cash flow and ratios calculated for the given company in analysis (100%)	Comprehensively analyzes the strengths and weaknesses of the given company over time (85%)	Analyzes the strengths and weaknesses of the given company over time, but analysis is not comprehensive (55%)	Does not analyze the strengths and weaknesses of the given company over time (0%)	6.43

<b>Performance: Company B</b>	Meets "Proficient" criteria and references free cash flow and ratios calculated for the chosen company in analysis (100%)	Comprehensively analyzes the strengths and weaknesses of the chosen company over time (85%)	Analyzes the strengths and weaknesses of the chosen company over time, but analysis is not comprehensive (55%)	Does not analyze the strengths and weaknesses of the chosen company over time (0%)	6.43
<b>Performance: Differ</b>	Meets "Proficient" criteria and references the companies' free cash flows and ratios calculated in analysis (100%)	Accurately contrasts the performances of the given and chosen companies over time, including a logical, proposed explanation of these performances (85%)	Contrasts the performances of the given and chosen companies over time, but analysis is inaccurate or cursory, or the included explanation of these performances is illogical or cursory (55%)	Does not contrast the performances of the given and chosen companies over time (0%)	6.43
<b>Investment: Growth or Value</b>	Meets "Proficient" criteria and includes quantitative data to support analysis (100%)	Comprehensively analyzes whether the companies are considered growth or value companies, including a logical explanation of why (85%)	Analyzes whether the companies are considered growth or value companies, but analysis is not comprehensive, or the explanation included is illogical or cursory (55%)	Does not analyze whether the companies are considered growth or value companies (0%)	6.43
<b>Investment: Stock</b>	Meets "Proficient" criteria and includes quantitative data to support analysis (100%)	Analyzes each company's stock, including a logical explanation of personal preference of which stock to purchase (85%)	Analyzes each company's stock, including an explanation of personal preference of stock options, but analysis or explanation is illogical or cursory (55%)	Does not analyze each company's stock (0%)	6.43
<b>Articulation of Response</b>	Submission is free of errors related to citations, grammar, spelling, syntax, and organization and is presented in a professional and easy to read format (100%)	Submission has no major errors related to citations, grammar, spelling, syntax, or organization (85%)	Submission has major errors related to citations, grammar, spelling, syntax, or organization that negatively impact readability and articulation of main ideas (55%)	Submission has critical errors related to citations, grammar, spelling, syntax, or organization that prevent understanding of ideas (0%)	1.95
<b>Earned Total</b>					<b>100%</b>