

Practical Analysis

1. Calculate the DuPont Model, given the following information: cash = \$16,080; accounts receivable = \$9,500; prepaid = \$3,150; supplies = \$675; equipment = \$25,200; accumulated depreciation – equipment = \$8,150 for year one. Cash = \$20,000; accounts receivable = \$15,000; prepaid = \$1,175; supplies = \$2,675; equipment = \$89,057; accumulated depreciation – equipment = \$36,800 for year 2. Additional year 2 data is as follows: equity equals \$82,600; net sales = \$325,000; net income of \$56,824. Assume sales revenue and net sales are the same, leave as a decimal to two places.
2. True or ~~False~~ – The Balance Scorecard is designed mostly for shareholders as a means to continuously monitor a manager's performance.
3. True or ~~False~~ – A Balanced Scorecard (BSC) has four perspectives: vendors, internal processes, innovation and learning, and financial.
4. True or ~~False~~ – Critical success factors are those items that should be identified prior to performing a SWOT or completing a BSC.
5. ~~True~~ or False – A SWOT matrix takes a company's strengths and tries to maximize opportunities and minimize threats.
6. True or False – A SWOT matrix takes a company's weaknesses and tries to minimize opportunities and avoid threats.
7. ~~True~~ or False – It is best for a manager to complete a SWOT analysis prior to attempting a SWOT matrix.
8. True or False – In a Balanced Scorecard (BSC), the critical success factors are used to build the foundation of a company's strategic plan. *used to give a company their competitive advantage*
9. ~~True~~ or False – An EBIT analysis is similar to cash flow.
10. True or ~~False~~ – Generally speaking, EPS is not a consideration for shareholders.