Week 1: Week 1 - W1 Assignment 3

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DROPBOX DELIVERY REQUIRED

Please use the appropriate basket in the Dropbox area to deliver materials required for this assignment.

Assignment 3: Inventory Analysis and Final Project Week 1: Company Selection and Initial Research

Part One: Inventory Analysis

You own a jewelry store and you sell nothing but black diamond rings. As of January 1st, you had 10 rings in stock at a cost of $1,000 each. You sold 60 rings during the year. You made several purchases over the fiscal year, which ended on December 31st, as follows:

Date	Number of Rings Purchased	Cost per Ring	Total Cost
1-Feb	4	$1,000	$4,000
1-Apr	6	1100	$6,600
1-May	8	1100	$8,800
1-Jun	8	1150	$9,200
1-Aug	6	1175	$7,050
1-Oct	10	1200	$12,000
1-Nov	9	1175	$10,575
1-Dec	7	1150	$8,050
	58		**$66,275**
Beginning Inventory	10		
Rings Available for Sale	68		

Required:

1. What was the dollar amount for ending inventory using FIFO, LIFO, and average cost methods?
2. What is the impact on the balance sheet when using different methods of accounting for inventory?
3. Why would a company select one method of accounting for inventory over another?

Part Two: Final Project, Week 1

Over the next five weeks, you will research and analyze financial information on two companies listed on an exchange.

Week 1: Gathering Financial Data, Key Characteristics, Corporate Governance, and Competitors

Week 2: Income Statement and Balance Sheet Analysis, Performance Comparison

Week 3: Investing and Financing Activities; Interim Presentation and Summary of Findings

Week 4: Issues and Interests of Investors and Other Stakeholders; Analysis of Company Performance

Week 5: Company Relationships and Financial Performance; Company Investment Analysis; Final Presentation and Summary of Findings

Required:

Choose any two companies that are in the same industry and listed on the NYSE or any other exchange. Collect the financial information for these two companies and make sure you have information that includes balance sheets, income statements, and statements of cash flow for the last three years. You may select any company except FedEx and Coca Cola.

1. Describe the key characteristics of the companies selected, such as the industry in which they operate, the products they provide, their rankings in the industry, etc.
2. Go to the company Web sites. Find the "About ...." section and note the company's commitment to corporate governance and identify the key features of its commitment.
3. Identify the main competitors for each selected company. Compare and contrast the reputations of the selected companies and their competitors.
4. Cite all sources used in your research on the two companies selected and their competitors in APA format.

Deliverables:

1. By **Tuesday, July 26, 2016**, submit your answers to the questions in Part One, using an MS Excel document, to the **W1: Assignment 3 Dropbox**. Use good form, show all your calculations and conclusions.

   Name your document SU_FIN4060_W1_A3_Part1_LastName_FirstInitial

2. By **Tuesday, July 26, 2016**, address the issues for the Final Project, Week 1 outlined in Part Two using an MS Word document, and submit your document to the **W1: Assignment 3 Dropbox**. Use good form, and cite all sources using APA format.

   Name your document SU_FIN4060_W1_A3_Part2_LastName_FirstInitial

Assignment 3 Grading Criteria	**Maximum Points**
Correctly calculated the value of ending Inventory under FIFO, LIFO, and average cost methods.	10
Correctly identified the impact of the different accounting methods for inventory on the balance sheet	10
Identified two companies to research given the parameters, and described their key characteristics accurately	5
	10

Correctly identified the selected companies' commitment to corporate governance and key features of that commitment	
Correctly identified the selected companies' main competitors; compared and contrasted reputations with the selected companies.	10
Presented a structured report free of spelling and grammatical errors and cited sources in APA format when necessary.	5
Total:	**50**