Assignment 1: What's It Worth?

Due Week 4, Day 7 (Weight: 16%)

The following are specific course learning outcomes associated with this assignment:

- Evaluate the qualities of effective corporate governance.
- Use technology and information resources to research issues in advanced financial management.
- Write clearly and concisely about advanced financial management using proper writing mechanics.

Introduction

- So far in this Advanced Financial Management course, we've offered you an assortment of tools designed to enhance your ability to value a business. You've learned how to assess a business through the lens of several competitive-advantage frameworks, you've learned numerous ways to quantify the value of a stock, and you've become familiar with the thinking behind valuing a company's fixed income. Now, as you might have suspected, it's time to implement some of this new-found knowledge.
- Here's the assignment: pick a publicly traded company of your choosing. It should be either the company you work for, or a company in your industry. Then, we're going to ask you to evaluate the company closely. You should go about doing this using any materials you can get your hands on, including the following:
  - Financial Statements
  - Investor Presentations
  - Industry Reports
  - Newspaper/Magazine Articles
  - Consumer Reviews
  - Etc.
- Once you've gotten a firm hold on the company, its financial standing, and its competitive positioning, we want you to use the tools we introduced in the first four lectures to evaluate the company from a variety of different angles. The successful assignment will include all of the following:

Write a minimum 4 page paper in which you do the following:

1. Analyze the company's competition advantages, including the Sellers framework.
2. Analyze the company's stock value. This will include analysis of a company's present P/E, PEG, P/B, and P/S multiples versus competitors in the industry and versus historic multiples going over the past 1, 3, and 5-year periods. You are expected to offer an opinion as to the current pricing of the company's stock. You are also welcome to perform a DCF analysis utilizing appropriate growth rates and discount rate, but this is not required.
3. Assess the company's fixed-income makeup. Please identify the bonds that the company has issued, the amounts of those bonds, their structure, their various due dates, and their various

interest rates. You may also want to identify their market values versus par values, but it is not required.

Your assignment should adhere to these guidelines:

- Write in a logical, well-organized, conventional business style. Use Times New Roman font size 12 or similar, double-space, and leave ample white space per page.
- [redacted] and works must be cited appropriately. Check with your professor for any additional instructions on citations.
- On the first page or in a header, include the title of the assignment, the student's name, the professor's name, the course title, and the date. Title and reference pages are not included in the assignment page length.
- Faculty have discretion to penalize for assignments over or under the assignment guidelines. Check with your individual professor if you feel the assignment requires a much longer or shorter treatment than recommended.

Grading for this assignment will be based on answer quality, logic/organization of the paper, and language and writing skills, using the following grading criteria.

Weight: 16%	**Assignment 1: What's it Worth?**				
Criteria	**Unsatisfactory**	**Low Pass**	**Pass**	**High Pass**	**Honors**
1. Analyze the company's competition advantages, including the Sellers framework. Weight: 30%	Did not submit or incompletely analyzed the company's competition advantages, including the Sellers framework.	Partially analyzed the company's competition advantages, including the Sellers framework.	Satisfactorily analyzed the company's competition advantages, including the Sellers framework.	Completely analyzed the company's competition advantages, including the Sellers framework.	Exemplarily analyzed the company's competition advantages, including the Sellers framework.
2. Analyze the company's stock value. Weight: 30%	Did not submit or incompletely analyzed the company's stock value.	Partially analyzed the company's stock value.	Satisfactorily analyzed the company's stock value.	Completely analyzed the company's stock value.	Exemplarily analyzed the company's stock value.
3. Assess the company's fixed-income makeup. Weight: 30%	Did not submit or incompletely assessed the company's fixed-income makeup.	Partially assessed the company's fixed-income makeup.	Satisfactorily assessed the company's fixed-income makeup.	Thoroughly assessed the company's fixed-income makeup.	Exemplarily assessed the company's fixed-income makeup.