

## BA 212 – Financial Analysis Project

This assignment is about financial statement analysis and is worth **100 points**. The assignment is due on **Friday, March 23**. Please prepare the following and submit to the Assignments section of D2L:

1. An Excel spreadsheet with the financial statement analysis calculations listed below. The formatting of the spreadsheet is up to you. You can use the sample spreadsheet I've given you as a guide.
2. Choose two companies in the same industry for your analysis. You will compare these companies to one another to determine into which one you will suggest the investors put their money.
3. Prepare a 1,000-word (or more) report about your conclusions as to the company you're suggesting and why.

You should include as many as you can of the following financial statement analysis calculations:

- Horizontal analysis of the income statement for each company with dollar change and percent change for the two most current years (see the Chapter 15 PowerPoint presentation pages 8 through 15 for an example)
- Vertical analysis of the income statement for each company for the most current year using percentages only (see the Chapter 15 PowerPoint presentation page 16 through 22 for an example)
- Current ratio
- Acid-test ratio
- Working capital
- Inventory turnover
- Accounts receivable turnover
- Day's-sales-in-receivables
- Debt ratio
- Times-interest-earned ratio
- Return on net sales
- Return on total assets
- Return on common stockholders' equity
- Earnings per share
- Price/earnings ratio
- Dividend yield (if applicable)
- Book value

You can go to <http://finance.yahoo.com> to get your information. Please include in your submission package a screen print of the Income Statement and Balance Sheet for each company.

Email me with any questions you have about the assignment. Have fun!