

(150) Financial Analyst Team

Description

Use analytical and problem solving skills to make decisions and recommendations using financial reports, both internal and external. The team analyzes and interprets reports from a business case study. At state and national level, teams will be presented with an additional element to the scenario that requires revision of their final presentation.

Eligibility

Any student member may enter this event. A team will consist of 2-4 members. At least one (1) member should have an accounting background. Contestants participating in national level competition must be registered for the event prior to submission deadline for technical judging. Teams must participate in both parts of the competition in order to be ranked.

Team must supply

- Pencils or pens
- Computer (optional)
- Presentation device (optional)
- Projection equipment (optional)
- Prepared posters (optional)
- Graphs (optional)
- Easel (optional)
- Poster board and/or flipcharts and markers (optional)

Business Professionals of America assumes no responsibility for hardware/software provided by the team. No equipment, supplies, or materials other than those specified for an event will be allowed in the testing area. No previous Business Professionals of America tests and/or sample tests or facsimiles thereof (handwritten, photocopied, or keyed) may be taken into the testing area. Violation of this rule will result in disqualification.

Competencies

- Apply generally accepted accounting principles (GAAP) to determine the value of assets, liabilities, and owner's equity
- Prepare, interpret, and analyze financial statements for various types of businesses
- Use planning and control principles to evaluate the performance of an organization and apply differential analysis and present-value concepts to make decisions
- Use mathematical procedures to analyze and solve business problems
- Complete and analyze comparative financial statements including ratio analysis
- Prepare and analyze budgets
- Identify risks that affect business decisions
- Enter and edit data using spreadsheet software
- Prepare a technical written report
- Present findings in a formal presentation using supporting materials

Specifications

- It is the policy of Business Professionals of America to comply with state and federal copyright law. Federal law pertaining to copyright, as contained within the United States Code, is available at <http://www.copyright.gov/title17/circ92.pdf>. The *Style & Reference Manual* contains guidelines for Copyright and Fair Use. Participant(s) will be *disqualified* for violations of the guidelines.
- All materials other than the required submission may *not* be left with judges.
- Team will present before a panel of judges and timekeeper. No audience will be allowed.
- One (1) copy of the [Team Entry Form](#), including signatures, must be presented at NLC at both the Preliminary and Final Competition.
- No advisor contact will be allowed between the time of receiving the topic and the delivery of the presentation.
- Cell phones may *not* be used in the preparation room.

Initial Case Study Topic:

PBA Bookstore is an independent bookstore located in historic downtown Columbus, OH. On December 31, 2017, the firm's general ledger contained the accounts and balances below. All account balances are normal, and the income tax rate is 30%.

Since PBA Bookstore wants to expand its operations, management is interested in partnering with the local colleges and universities to stock their required textbooks for three years. Management estimates that partnering with the local colleges and universities would require PBA to make an initial investment of \$5,000 in upgrades. They estimate that they will need to increase their inventory by \$20,000, but they expect to sell the textbooks at a 50% markup. PBA would also need to hire another part-time (20 hours per week) employee to keep the store open longer hours to meet the needs of the new student population.

PBA Bookstore has hired you to prepare their financials and make a presentation to PBA Bookstore's management with your recommendation. Your presentation should include, but is not limited to:

1. Preparation of a classified income statement and balance sheet for PBA Bookstore for the year ended December 31, 2017.
2. In depth analysis of the financial statements, including but not limited to key ratios (such as current ratio, debit ratio, profit margin, and gross profit percentage), trend analysis, and industry analysis.
3. Appropriate capital analysis of the investment opportunity
4. A recommendation as to how PBA Bookstore should proceed. Do you have other investment ideas for management to consider?

PBA Bookstore					
Trial Balance					
(in thousands)					
	2013	2014	2015	2016	2017
Cash	22,169	21,061	19,587	18,216	17,487
Accounts Receivable	0	0	435	671	1,438
Inventory	15,000	15,036	15,487	17,036	15,332
Prepaid Expenses	5,240	5,245	5,255	5,413	5,343
Supplies	352	208	411	331	298
Building	75,000	75,000	75,000	75,000	75,000
Accumulated Depreciation-Building	1,000	2,000	3,000	4,000	5,000
Equipment	5,000	5,000	5,000	6,234	6,234
Accumulated Depreciation—Equipment	500	1,000	1,500	2,123	2,746
Accounts Payable	821	1,147	1,301	1,397	1,346
Wages Payable	1,242	1,242	1,242	1,350	1,350
Mortgage Payable	50,000	47,500	45,125	42,869	40,726
Notes Payable (due in 2020)	29,033	28,350	28,504	30,366	28,796
V. Thomas, Capital	40,000	40,165	40,311	40,503	40,796
V. Thomas, Drawing	0	0	0	0	0
Sales	47,892	48,540	47,322	44,021	40,933
Cost of Goods Sold	34,704	34,788	33,744	30,707	27,943
Operating Expenses	2,471	2,620	2,554	2,452	2,287
Selling & Administrative Expenses	7,061	7,485	7,298	7,006	6,726
Depreciation Expense	1,524	1,554	1,585	1,604	1,626
Interest Expense	1,967	1,947	1,949	1,959	1,979

A team will be *disqualified* for violations of the [Copyright and Fair Use Guidelines](#).

Teams who do *not* submit an entry that follows this topic will be *disqualified*.

Method of evaluation

Judge's Scoring Rubric

Length of event

No more than five (5) minutes proctor orientation for state and national levels

No more than thirty (30) minutes preparation time for state and national levels

No more than three (3) minutes set-up in presentation room

No more than ten (10) minutes presentation time

No more than ten (10) minutes judges' questions

Finals may be required at state and national levels

Equipment/supplies provided

Case problem

Preparation room

If desired, team may bring one (1) laptop/notebook computer, portable printer, projection equipment, software, and paper (must bring all or none) for use in the preparation room. Electrical power will be provided. Carry-in and set-up of equipment must be done solely by the team and must take place within the time allowed for orientation/warm-up.

Contest presentation

Team may use one (1) laptop/notebook computer, projection equipment, posters, flip charts, or graphs for presentation. Those who want to use computer/projection equipment for presentation *must* provide their own equipment. Carry-in and set-up of equipment must be done solely by the team and take place within the time allotted.

Entries

Each state is allowed two (2) entries

Teams in all judged events who wish to receive judges' comments must submit a self-addressed, stamped envelope to the event judges before judging takes place.

(150) Financial Analyst Team

Judge Number _____

Team Number _____

Presentation Scoring Rubric

Team Violated the Copyright and/or Fair Use Guidelines	<input type="checkbox"/> Yes <i>(Disqualification)</i>	<input type="checkbox"/> No
If yes, please stop scoring and provide a brief reason for the <i>disqualification</i> below:		
Team followed topic	<input type="checkbox"/> Yes	<input type="checkbox"/> No <i>(Disqualification)</i>

Items to Evaluate	Below Average	Average	Good	Excellent	Points Awarded
Oral presentation <i>Opening and summary</i>	1-5	6-10	11-15	16-20	
Organization of content <i>(Presentation flowed in a logical sequence)</i>	1-5	6-10	11-15	16-20	
Demonstrated knowledge of financial concepts	1-5	6-10	11-15	16-20	
Analysis of data	1-5	6-10	11-15	16-20	
Solution to problem	1-5	6-10	11-15	16-20	
Team addressed additional information that was given on-site*	1-5	6-10	11-15	16-20	
Answers to judges' questions	1-5	6-10	11-15	16-20	
TOTAL PRESENTATION POINTS (140 points maximum)					

***Note:** this item will only be evaluated at the state and national level competition; modification scenario is *not* provided at the regional level.

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Team Number _____

Specification Scoring Rubric

SPECIFICATION POINTS: All points or none per item are awarded by the proctor per team, <i>not</i> per judge.	Possible Points	Points Awarded
Set-up lasted no longer than three (3) minutes – 5 points Presentation lasted no longer than ten (10) minutes – 5 points	10	
All registered team members in attendance for entire event	10	
Documentation submitted at time of check-in: keyed and signed Team Entry Form (1 copy) <i>Must have copies for preliminaries and finals</i>	10	
TOTAL SPECIFICATION POINTS (30 points maximum)		

TOTAL MAXIMUM POINTS = 170

PRESENTATION WILL BE STOPPED AT TEN MINUTES