

BPA PROJECT

Financial Analyst Team

FAT

- Description: This project is based on the “Financial Analyst Team” event for 2019-20. The topic for this project is attached. Your team will prepare the following documents:
1. Excel spreadsheet with an income statement and balance sheet for all five years of data provided (see the “ENTR Analyzing Finances” handout for a sample layout for the financial statements). Also include ratio calculations (your choice of ratios) for all five years.
 2. PowerPoint presentation outlining your analysis of ratios and trends, along with summary of the data in your Excel spreadsheets, as well as your conclusions. You will make a 5-minute oral presentation to the class, and respond to questions.
- Finished Product: Email/Share your finished Excel and PowerPoint documents by the beginning of class on Friday, November 1. Note: for a 5-minute presentation, you should plan on about 15 slides.
- Grading: This project is worth a total of 300 points.
- Work Days: October 29, 30, 31
- Due Date: The project is due by the beginning of class on Friday, November 1.
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Tuesday, October 29

- Picking Teams and Reviewing the Case
- Talk to Mr. Clark about Your Ideas
- Prepare Your Game Plan!

Wednesday, October 30

- Analyzing the Case
- Working on the Excel Spreadsheet
- Sit Down with Mr. Clark with Questions and a Status Update

Thursday, October 31

- Finalizing the Excel Spreadsheet
- Working on the PowerPoint
- Finish the Project and Practice

(150) Financial Analyst Team (S | PS)

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 service, merchandising, and manufacturing businesses
- Use planning and control principles to evaluate the performance of an organization and apply differential analysis and present-value concepts to make decisions.
- Analyze factors that affect the choice of credit, the cost of credit, and the legal aspects of using credit
- Communicate in a clear, courteous, concise, and correct manner on personal and professional levels
- Use mathematical procedures to analyze and solve business problems
- Complete and analyze comparative financial statements
- Analyze financial statements including ratio analysis
- Prepare and analyze budgets
- Perform forecasting
- Identify risks that affect business decisions
- Analyze and interpret financial data using common statistical procedures
- Enter and edit data using spreadsheet software
- 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 <https://www.copyright.gov/title17/title17.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:

Lynn's Kids first opened in 1998 as a single-store children's clothing boutique in Northampton, Massachusetts. Over the past 22 years, Lynn's Kids has incorporated into a small, private corporation, and expanded to Westborough in 2001 and Boston in 2014.

While sales have remained steady since opening their most recent store, profits have fallen in recent years, and Lynn is concerned that she might have to close her business. Lynn's long-time bookkeeper, Scott, has compiled her financial data for the last five years. Lynn took out a mortgage to buy her first store in 1988, but her other two stores are leased. Lease payments make up 30% of the total operating expenses, with the lease on the Boston location comprising 80% of the total lease payments. Each store has one full-time manager, who makes \$50,000 a year, and the rest of the employees are part-time. The part-time wages constitute a total of 20% of the operating expenses, with the Boston store using 50% of the wages and the other two stores being even. Lynn pays herself a salary of \$100,000 for being the CEO, but she is considering reducing that amount if it means she can save her business. Two years ago Lynn increased her advertising expenses to \$80,000 to try to increase sales, with the 70% of her advertising efforts being focused on the Boston store (20% of advertising is spent on the Westborough store and the remainder on the Northampton store). The remainder of the operating expenses are used to cover insurance, utilities, and other miscellaneous items (these expenses are split in a 30/30/40 split between the 3 stores, with Boston having the highest insurance rate).

Lynn took out a ten-year note to open to Boston store, and she's concerned that sales have not grown enough to cover the loan payments. Lynn has resorted to using the line of credit from her bank to help pay the bills. Between the three stores, the original store in Northampton continues to have the most sales, comprising 42% of the total sales. The Westborough store has the lowest sales, comprising only 28% of the total sales.

Lynn is asking for your advice. She would like to save her business, but isn't sure if maybe she should close all of her stores, close some of her stores, or start selling her clothes online. Please compile Lynn's financial statements for the past five years (assume a 30% corporate tax rate), and prepare your analysis and presentation for the Board of Directors of Lynn's Kids.

	Lynn's Kids				
	Trial Balance				
	2019	2018	2017	2016	2015
Cash	39,454	58,634	87,716	90,740	62,667
Inventory	112,832	99,795	87,495	79,935	81,212
Prepaid Expenses	6,336	6,223	7,801	7,341	5,532
Building	219,377	219,377	219,377	219,377	219,377
Accumulated Depreciation-Building	91,388	86,588	81,788	76,988	72,188
Equipment & Store Fixtures	121,091	121,091	121,091	121,091	121,091
Accumulated Depreciation—Equipment	54,491	46,591	38,691	30,791	22,891
Accounts Payable	10,866	8,234	10,959	9,133	7,027
Line of Credit	160,199	110,820	75,643	40,021	16,418
Other Current Liabilities	9,281	8,379	10,303	9,443	9,427
Mortgage	105,000	114,000	122,500	130,500	138,000
Notes Payable	79,457	90,320	100,552	110,189	120,000
Common Stock	50,800	50,800	50,800	50,800	50,800
Dividends	0	0	0	0	0
Retained Earnings (January 1, 2015)					28,293
Sales	1,584,606	1,578,476	1,597,176	1,634,993	1,564,171
Cost of Goods Sold	752,758	753,861	762,877	790,298	725,251
Operating Expenses	847,638	835,093	831,116	798,354	763,634
Interest Expense	35,990	32,378	31,558	35,640	39,807

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 (S | PS)

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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Judge Number _____

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