

(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. Members 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
- Complete and analyze comparative financial statements using ratio analysis
- Prepare and analyze budgets
- Perform short and long-term 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.
- 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:

The Stock-Up Paper Co. was started as a small, private corporation in 2000 in the Scranton, Ohio area. Scott, the Founder and CEO, began by selling paper products to local businesses with just three employees. Over the past twenty years, the company was so successful at selling paper products that they began selling all office products; by 2020, the Stock-Up Paper Co. was a leading distributor of all office products in the Ohio region.

Stock-Up first differentiated itself from big box competitors by the high level of customer service they provide. Each customer was assigned to their own personal salesperson who took the time to get to know their customers and their needs. Stock-Up now employs six sales people; all salespersons are paid a base salary plus a commission of 5% of their sales. The salespeople are authorized to make small concessions to larger customers in an effort to provide top-level customer service. Dan, the Sales Manager, believes that these concessions are immaterial and do not significantly impact the profitability of the company; although they do significantly impact the satisfaction of the customers.

In 2010 Stock-Up introduced a website with a sales portal where customers can place their orders directly through the website without going through a salesperson. The website has been very popular, and Stock-Up saw an increase in sales; however most of the long-time customers still prefer to place their orders through their personal salesperson. Despite the fact that sales have been steadily increasing, profit margins keep shrinking and in 2020, Stock-Up posted its first loss.

Selected Financial Data Fiscal Year End 2020	
Sales	16,359,417
Cost of Goods Sold	13,669,686
Warehouse Expenses (including personnel)	869,855
Freight-Out	504,191
Sales Personnel Expenses	540,993
Other Operating Expenses	769,855
Interest Expense	46,191

Stock-Up's accountant, Lynn, further analyzed sales from the past year and discovered that almost half of all sales were from Internet orders, while the other half were placed through the salespeople. However, when Scott looked at the number of orders, almost 85% of all orders were placed through salespeople. Internet customers tended to place fewer, larger orders while those ordering through their personal salesperson tended to place smaller orders more frequently. Each order is manually packed once it is placed by the warehouse personnel. Rob, the Warehouse Manager, is concerned because the warehouse personnel are currently working at maximum capacity; and if sales continue to increase, they will need to hire more workers. The warehouse is already working overtime a couple of weekends a month just to keep up with the current demand. Stock-Up uses a commercial shipping company to ship all orders, and charges customers 2% of the total order for shipping.

Lynn also noticed that the majority of Internet customers paid for their orders at the time of sale, while the customers who placed their orders with their salesperson took advantage of Stock-Up's offer to be billed for their orders. The average level of Accounts Receivable for Internet orders was \$9,000 last year, but it was \$30,000 for those that placed their orders through the salespeople. In addition, Lynn noticed that the Internet customers tended to pay their bills within 30 days, while the other customers often took up to 90 days to pay. Stock-Up maintains a line of credit with their local bank that they use to help make ends meet if cash flows run short. Lately, Stock-Up has had to rely on this line of credit more. Considering that Stock-Up's line of credit charges 10% on the outstanding balance, Lynn thought this might be significant.

Initial Case Study Topic (continued)

The Stock-Up Paper Co.'s CEO, Scott, has hired your firm to further analyze the company's business activities and make recommendations about how to reverse their recent profit slide. Your presentation should include, but is not limited to, Stock-Up's current financial position and your specific recommendations to improve profitability.

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.

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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 participated in the presentation	10	
TOTAL SPECIFICATION POINTS (20 points maximum)		

TOTAL MAXIMUM POINTS = 160

PRESENTATION WILL BE STOPPED AT TEN MINUTES