

## **(150) Financial Analyst Team**

### **Description**

The team will use analytical and problem-solving skills to make recommendations regarding 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 secondary division student member may enter this team 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 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. Props and visual aids are allowed in this competition. 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 professional manner
- 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.
- No materials other than the required submission may be left with judges.

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- The 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:**

Ellie has always had a passion for gold jewelry and has decided to turn her hobby into a small business. For the past several years, Ellie has been selling her gold jewelry at trade shows and online. Ellie has received interest from several partners who want to place large orders and carry her products as part of their permanent collections. Ellie has been operating her business as a hobby but has decided that now is the time to create a small business and operate it full-time. Ellie does not know much about the different types of business organizations and would like your advice on what type of business she should start. Ellie will be investing \$100,000 of her own money into the business, in addition to contributing equipment worth \$400,000. Ellie estimates that this equipment still has 10 years of life left and estimates that she will be able to sell it for \$40,000 at the end of that time. Ellie has also secured a \$500,000 loan from First Bank with an annual interest rate of 5% for 10 years.

Based on last year’s prices and her current orders, Ellie has created the following materials budget for the next six months. She normally marks up her jewelry at 32% of the price of the gold. Ellie does not keep any inventory of gold on hand since she is in a made-to-order business.

Month 1	\$1,405
Month 2	1,240
Month 3	1,318
Month 4	1,390
Month 5	1,308
Month 6	1,230

Ellie estimates her other expenses to be as follows for each month for the next six months:

Accountant	\$2,500
Marketing	5,000
Packaging	2,000
Shipping	3,000
Insurance	12,000
Rent	12,000
Supplies	3,000
Utilities	4,000

Ellie is currently owed \$6,000 from previous orders; 10% of the amount owed to Ellie is over 30 days past due.

As Ellie embarks on this entrepreneurial journey, she seeks advice on several critical aspects of starting and managing her business: the type of business entity to form, the inventory valuation

method to use, the depreciation method to adopt, and the accounting for accounts receivables. Ellie has asked you to prepare a recommendation for these questions, as well as others that she has not considered, as well as pro forma financials to help her get her business off the ground.

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 setup 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

### **Entries**

Each state is allowed three (3) entries

### **Preparation room**

If desired, teams 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 the 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.

**Judges' comments will be returned digitally through the online judging system at the national level.**

## (150) Financial Analyst Team

Judge Number \_\_\_\_\_

Team Number \_\_\_\_\_

### Presentation Scoring Rubric

Required Elements (If any questions below are checked NO, stop scoring and assign a TOTAL score of 0)	
Team followed topic	<input type="checkbox"/> Y   <input type="checkbox"/> N
Team followed Copyright and/or Fair Use Guidelines	<input type="checkbox"/> Y   <input type="checkbox"/> N
If no to either question, please stop scoring and provide a brief reason for the <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	
All points or none are awarded per item below.					
Setup lasted no longer than three (3) minutes				5	
Presentation lasted no longer than ten (10) minutes				5	
At least two original team members in attendance at time of presentation				10	
<b>TOTAL PRESENTATION POINTS (160 points maximum)</b>					

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

**TOTAL MAXIMUM POINTS = 160**

**PRESENTATION WILL BE STOPPED AT TEN MINUTES**

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