

FIN 330 Final Project I Milestone Two Guidelines and Rubric

Overview: Corporate financial managers must have a business-wide perspective to successfully navigate the corporate environment. The skills you develop in this course will support you in your future business career as well as set the conceptual foundation for the future courses in your program. Your final project for FIN 330 will allow you to showcase your mastery of the varied skills a finance professional must obtain by requiring you to analyze a real-world corporation from a quantitative perspective while also investigating the challenges and decisions a manager must face.

In this milestone, you will continue to work on elements of Final Project I, the corporation valuation report.

Prompt: This milestone requires you to write a draft of the Capital Structure and Valuation sections (Sections III and IV) of Final Project I, the corporate valuation report. In this assignment, you will use the same corporation you focused on in Milestone One to expand upon the capital structure of the organization and the valuation of the corporation through forecasting.

Specifically, the following critical elements must be addressed in this milestone:

- III. **Capital Structure:** In the third section of your report, discuss the capital structure of the corporation.
 - A. Outline the most recent year's debt, equity, and total capital using the provided Excel template to show the **overall** capital structure of the corporation. Please note: to complete this, you will use the same [template](#) you used in support of Milestone One, but this time you will be completing the "Capital Structure" tab.
 - B. Articulate the corporation's **dividend policy** and what impact it has on the investors.
 - C. Analyze the **relationship** between capital structure, cost of capital, and risk, using examples from your chosen organization.
 - D. Explain how the relationship between capital structure, cost of capital, and risk can help inform decision making and **maximize** corporate **value**.

- IV. **Valuation:** The final section of your report will focus on calculating current value, outlining assumptions, and estimating the future value of the corporation through forecasting the cash flows. Specifically, respond to the following:
 - A. Calculate the **current** market **value** of equity for your corporation, using the three-year history and [provided Excel template](#), and explain what it means for the corporation. You will submit this template along with your report, and may embed pieces of the Excel template into your report to help support your work in this section. Please note: this is the same template you used in support of Milestone One, but this time you will be completing the "Valuation" tab.
 - B. Outline any **assumptions** you have made in calculating the current value and estimating the future value of the corporation, explaining why you made them and why they are important. (Hint: Assumptions can include growth rates, margins, trends, etc.)
 - C. **Estimate** the current value of your corporation by forecasting the cash flows over five years using the provided Excel template, and explain your findings. Calculate EVA, NPV, IRR and MIRR.

Guidelines for Submission: Your submission should be 3–4 pages in length, not including the Excel template you use to address sections IV.A and IV.C, above. The written submission should use 12-point Times New Roman font, double spacing, one-inch margins, and APA formatting. Be sure to submit both your written response and the completed Excel template when submitting this assignment. Any citations should follow APA guidelines.

Critical Elements	Proficient (100%)	Needs Improvement (80%)	Not Evident (0%)	Value
Capital Structure: Overall	Accurately outlines the most recent year's debt, equity, and total capital using the provided template to show the overall capital structure of the corporation	Outlines the most recent year's debt, equity, and total capital using the provided template, but with gaps in accuracy	Does not outline the most recent year's debt, equity, and total capital using the provided template	15
Capital Structure: Dividend Policy	Accurately articulates the corporation's dividend policy and the impact it has on investors	Articulates the corporation's dividend policy and its impact on investors, but does so inaccurately or with gaps in details	Does not articulate the corporation's dividend policy and its impact on investors	15
Capital Structure: Relationship	Accurately analyzes the relationship between capital structure, cost of capital, and risk, using examples to highlight claims	Analyzes the relationship between capital structure, cost of capital, and risk, but lacks accuracy or does not use examples that highlight claims	Does not analyze the relationship between capital structure, cost of capital, and risk	15
Capital Structure: Maximize Value	Accurately explains how the relationship between capital structure, cost of capital, and risk should inform corporate decision making and maximize corporate value	Explains how the relationship between capital structure, cost of capital, and risk should inform corporate decision making and maximize corporate value, but lacks accuracy or necessary detail	Does not explain how the relationship between capital structure, cost of capital, and risk should inform corporate decision making and maximize corporate value	15
Valuation: Current Value	Accurately calculates the current market value of the chosen corporation using the three-year history and provided Excel template, explaining findings in the report	Calculates the current market value of the chosen corporation using the three-year history and provided Excel template, explaining findings in the report, but lacks accuracy in calculations or lacks detail in explanation of findings	Does not calculate the current market value of the corporation or does not explain findings in the report	12
Valuation: Assumptions	Clearly outlines reasonable assumptions, explaining why the assumptions were made and why they matter	Outlines assumptions, explaining why the assumptions were made and why they matter, but with gaps in clarity or reason	Does not outline assumptions or explain why they were made and why they matter	12

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Valuation: Estimate	Logically estimates the current value of the corporation through five-year cash flow forecasting using the provided Excel template	Estimates the current value of the corporation through five-year cash flow forecasting using the provided Excel template, but with gaps in logic or accuracy of calculations	Does not estimate the current value of the corporation through five-year cash-flow forecasting using the Excel template	12
Articulation of Response	Submission has no major errors related to citations, grammar, spelling, syntax, or organization	Submission has major errors related to citations, grammar, spelling, syntax, or organization that negatively impact readability and articulation of main ideas	Submission has critical errors related to citations, grammar, spelling, syntax, or organization that prevent understanding of ideas	4
Total				100%