



## MBA 520 Milestone One Guidelines and Rubric

**Overview:** This milestone assignment covers critical element II (Financial Performance and Health) of the final project. It is an opportunity to draft this section of the final project and get your instructor's feedback before submitting the final version.

For this milestone, you will conduct an analysis of your chosen company's financial statements for the last three consecutive years. Your analysis should include the review and interpretation of data from the following financial statements: the income statement, balance sheet, statement of cash flow, and statement of retained earnings. Using your review of these statements, you will assess the organization's financial performance and financial health. Provide quantitative and qualitative support for your assessment.

**Prompt:** As a newly hired manager at your chosen company, you have the first task of reviewing the company's past and current financial documents and making initial financial projections so that the company can begin planning for the upcoming year. Your report will include several tables, along with a comprehensive narrative describing the organization's financial performance and health. Note that, in addition to the organization's financial statements and website, other authoritative news sources—such as annual reports and external sites like [Bloomberg](#)—may offer insights that facilitate analysis or provide information on the organization's priorities and challenges.

Specifically, you must address the following **critical elements** from section II of the final project:

### A. Organizational Context

1. What **key goods or services** does your organization provide, and for whom, where, and why? How do these **features** of the organization (e.g., major products or services, customers, location) help set the boundaries for business decisions?
2. How is the company **organized** and managed (by product groups, geographic region, function, etc.)? How does that affect accounting and financial information and subsequent business decisions?

### B. Recent Financial Performance

1. Assess what the organization's consolidated **income** statements for the last three years say about its financial performance. Use relevant indicators, graphs, and spreadsheets to support your narrative. (Include all spreadsheets in an appendix.) For example, what do the amounts and year-to-year changes in revenue, operating income, net profit or loss, and earnings before interest, taxes, depreciation, and amortization tell you? Do any items stand out?
2. Assess what the organization's consolidated **cash flow** statements for the same time period say about its financial performance. Use relevant indicators, graphs, and spreadsheets to support your narrative. For example, what do the amounts and year-to-year changes in cash from operating activities, cash from investing, cash from financing, and total cash flow tell you? Do any items stand out?
3. Assess the organization's **underlying financial performance**. Support your answer with the analysis above and relevant research. For example, is recent performance substantially affected by unusual events such as a major acquisition or spin-off? Is the business thriving or struggling in its industry? How do you know?

### C. Current **Financial Health**

1. Assess how the organization is **capitalized** and what that tells you about its financial health. Support your response with relevant graphs, spreadsheets, and indicators such as cash and cash equivalents, total debt, shareholders' equity, current ratio, debt/equity ratio, and days sales outstanding (DSO). For example, does the organization have enough cash for payroll and other bills? Does it have the right mix of debt versus equity (stock)? How do you know?
2. Does the organization have the right amount of cash and other resources (key people, technologies, reputation, physical assets, etc.) to fuel future **growth**? What does this suggest for business decisions? For example, if it has too much cash, should it pay a large dividend, repurchase its own shares, or reinvest the excess funds?
3. Assess the **financial value** of the company using relevant indicators. What does your assessment imply for future business health and performance? For example, what is the business's current market value? What is its price-to-earnings ratio? What do these suggest about investor perceptions of the business's future?

### Rubric

**Guidelines for Submission:** Use the [Final Project Template](#) to complete this assignment. This financial performance and health report should be approximately 5–7 pages long (excluding the title page, any spreadsheets and graphs, and the references list). It should be double spaced, with 12-point Times New Roman font and one-inch margins, and it should use the latest APA formatting guidelines for references and citations. Include your name, course name, and assignment title on the title page.

| Critical Elements                     | Proficient (100%)                                                                                                                                                 | Needs Improvement (70%)                                                                                                                                                                                                                                 | Not Evident (0%)                                                                                                                               | Value |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| <b>Context: Key Goods or Services</b> | Describes how key goods or services and features of the organization help set boundaries for business decisions                                                   | Describes how key goods or services and features of the organization help set boundaries for business decisions, but response is cursory or contains inaccuracies, or links to decision making are weak or illogical                                    | Does not describe how key goods or services and features of the organization help set boundaries for business decisions                        | 12    |
| <b>Context: Organized</b>             | Analyzes how company is organized and managed and the effect on accounting and financial information and subsequent business decisions                            | Analyzes how company is organized and the effect on accounting and financial information and decisions, but response is cursory or contains inaccuracies, or links between organizational structure, finance, and decision making are weak or illogical | Does not analyze how company is organized and managed and the effect on accounting and financial information and subsequent business decisions | 12    |
| <b>Financial Performance: Income</b>  | Assesses what the consolidated income statements for last three years say about financial performance, supported by relevant indicators, graphs, and spreadsheets | Assesses what the consolidated income statements say about financial performance, supported by indicators, graphs, and spreadsheets, but response is cursory or contains inaccuracies, or support is not relevant                                       | Does not assess what the consolidated income statements for last three years say about financial performance                                   | 11.5  |

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| Critical Elements                                    | Proficient (100%)                                                                                                                                                    | Needs Improvement (70%)                                                                                                                                                                                                                                                                        | Not Evident (0%)                                                                                                                                        | Value       |
|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>Financial Performance: Cash Flow</b>              | Assesses what consolidated cash flow statements for the same time period say about financial performance, supported by relevant indicators, graphs, and spreadsheets | Assesses what consolidated cash flow statements say about financial performance, with some support from indicators, graphs, and spreadsheets, but response is cursory or contains inaccuracies, or support is not relevant                                                                     | Does not assess what consolidated cash flow statements for the same time period say about financial performance                                         | 11.5        |
| <b>Financial Performance: Underlying Performance</b> | Assesses underlying financial performance, supported by analysis and relevant research                                                                               | Assesses underlying financial performance, supported by analysis and research, but response is cursory, contains gaps in accuracy or logic, or is poorly supported by analysis and research                                                                                                    | Does not assess underlying financial performance, supported by analysis and relevant research                                                           | 11.5        |
| <b>Financial Health: Capitalized</b>                 | Assesses how organization is capitalized and what that says about financial health, supported by relevant graphs, spreadsheets, and indicators                       | Assesses how organization is capitalized and what that says about financial health, supported by graphs, spreadsheets, and indicators, but response is cursory or contains inaccuracies, or support is not relevant                                                                            | Does not assess how organization is capitalized and what that says about financial health                                                               | 11.5        |
| <b>Financial Health: Growth</b>                      | Determines whether organization has right amount of cash and other resources to fuel future growth and what this suggests for business decisions                     | Determines whether organization has right amount of cash and other resources to fuel future growth and what this suggests for business decisions, but response is cursory or contains inaccuracies, or links between different types of resources and business decisions are weak or illogical | Does not determine whether organization has right amount of cash and other resources to fuel future growth or what this suggests for business decisions | 12          |
| <b>Financial Health: Financial Value</b>             | Assesses financial value of company and what it implies for future health and performance using relevant indicators                                                  | Assesses financial value of company and what it implies for future health and performance using relevant indicators, but assessment is cursory or contains inaccuracies, or links to future health and performance are weak or illogical                                                       | Does not assess financial value of company and what it implies for future health and performance using relevant indicators                              | 11.5        |
| <b>Articulation of Response</b>                      | Submission has no major errors related to citations, grammar, spelling, syntax, or organization                                                                      | Submission has some 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 the understanding of ideas                 | 6.5         |
| <b>Total</b>                                         |                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                |                                                                                                                                                         | <b>100%</b> |