

Prior to beginning work on this assignment,

- Read Chapters 12 and 13 in the course textbook, *Using Financial Accounting Information: The Alternative to Debits and Credits*.
- Read Chapters 5, 6, 7, and 8 in the textbook, *Warren Buffet Accounting*.
- Read pages 625–626 regarding horizontal analysis in the course textbook, *Using Financial Accounting Information: The Alternative to Debits and Credits*.
- Read pages 629–630 regarding vertical analysis in the course textbook, *Using Financial Accounting Information: The Alternative to Debits and Credits*.

For this assignment, you are required to upload your work to your ePortfolio in addition to Waypoint. Learn more about Folio, Ashford's ePortfolio tool, by viewing the [Folio Quick Start Guide](#)

[\(Links to an external site.\)](#)

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Submit your file to Waypoint using the button below. Then paste the link to your Folio page as a comment in Waypoint so your instructor can access your ePortfolio.

In prior weeks, you learned about the financial statements and financial statement ratios. This week, you will utilize that information, along with Chapter 13 from the course textbook, *Using Financial Accounting Information: The Alternative to Debits and Credits*, and tips from the textbook, *Warren Buffet Accounting*, to take a deep dive into one company.

Assume the role of a senior financial analyst who has been assigned to complete a thorough and detailed review for a company of your choice from the list below. Access the company quarterly financial statements (10-Q) for the past two quarters on EDGAR, which is available on the web page, [EDGAR Company Filings](#)

[\(Links to an external site.\)](#)

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Select one of the following companies:

Name	Ticker Symbol
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Home Depot	HD
Bloomin Brands	BLMN
Apple	AAPL
Starbucks	SBUX
Gap	GPS
Verizon	VZ
Target	TGT
Cisco	CSCO
Ulta	ULTA
Dollar Tree	DLTR

In your thorough and detailed review, analyze the company's quarterly financial statements (10-Q) for the past two most current quarters and perform the following:

- Prepare a balance sheet and income statement horizontal analysis for the last two quarters.
- Prepare a balance sheet and income statement vertical analysis for the last two quarters.
- Prepare a liquidity analysis by computing and using the appropriate ratios to assess liquidity.
 - Compute a minimum of three ratios and show your supporting calculations.
- Prepare a solvency analysis by computing and using the appropriate ratios to assess solvency.
 - Compute a minimum of three ratios and show your supporting calculations.

- Prepare a profitability analysis by computing and using the appropriate ratios to assess profitability.
 - Compute a minimum of three ratios and show your supporting calculations.
- Analyze the methods and tips provided in the textbook, *Warren Buffet Accounting*, to address the following questions:
 - What is your company's primary revenue, secondary revenue, and gains?
 - What is your company's primary expenses, secondary expenses, financial activity generated expenses, and losses?
 - What is the revenue trend? Does the 10-K or 10-Q discuss primary revenues, as well as other revenue types?
 - What do the accounting policies say in the annual report (footnotes) regarding the cost of revenue? What are the drivers to the cost of revenue and the trends?
 - Are there any trends in sales and marketing expenses or research and development? Are these amounts reasonable for the type of business?
 - Compare general and administrative expenses to similar companies. Are they reasonable?
 - What is the ratio of net interest income (expense) to income from operations? Is this a safe ratio for the company? Why or why not?
 - What is the income taxes trend? Is the effective tax rate reasonable over time?

Formulate your analysis on the above requirements to discuss the financial health, performance, strengths, and weaknesses of the company, as well as any identified positive or negative trends.

In addition to your written financial statement analysis, you will also need to communicate a high-level summary of your analysis to your selected company's executive team using [Screencast-O-Matic](#)

. If needed, review the [Screencast-O-Matic Quick-Start Guide](#)

[\(Links to an external site.\)](#)

. The summary should be documented with three to five PowerPoint slides, including speaker notes. In addition, include the company's

- financial health,
- performance strengths and weaknesses, and
- identified positive or negative trends.

The Real-World Financial Statement Analysis final paper

- Must be five to seven double-spaced pages in length (not including title and references, supporting calculation of the horizontal analysis, vertical analysis or ratio calculations) and formatted according to APA Style as outlined in the Ashford Writing Center's [APA Style](#)
- [\(Links to an external site.\)](#)
- resource.
- Must include a separate title page with the following:
 - Title of paper
 - Student's name
 - Course name and number
 - Instructor's name
 - Date submitted
- For further assistance with the formatting and the title page, refer to [APA Formatting for Word 2013](#)
- [\(Links to an external site.\)](#)
- .
- Must utilize academic voice. See the [Academic Voice](#)
- [\(Links to an external site.\)](#)
- resource for additional guidance.
- Must include an introduction and conclusion paragraph. Your introduction paragraph needs to end with a clear thesis statement that indicates the purpose of your paper.
 - For assistance on writing [Introductions & Conclusions](#)
 - [\(Links to an external site.\)](#)
 - as well as [Writing a Thesis Statement](#)
 - [\(Links to an external site.\)](#)
 - , refer to the Ashford Writing Center resources.
- Must document any information used from sources in APA Style as outlined in the Ashford Writing Center's [APA: Citing Within Your Paper](#)
- [\(Links to an external site.\)](#)
- guide.
- Must include a separate references page that is formatted according to APA Style as outlined in the Ashford Writing Center. See the [APA: Formatting Your References List](#)
- [\(Links to an external site.\)](#)
- resource in the Ashford Writing Center for specifications.

The Real-World Financial Statement Analysis oral presentation

- Must be three to five slides in length (not including title and references slides) and formatted according to APA Style as outlined in the Ashford Writing Center's [How to Make a PowerPoint Presentation](#)
- [\(Links to an external site.\)](#)
- .
- Must include a separate title slide with the following:
 - Title of paper
 - Student's name
 - Course name and number
 - Instructor's name
 - Date submitted
- Must document any information used from sources in APA Style as outlined in the Ashford Writing Center's [APA: Citing Within Your Paper](#)
- [\(Links to an external site.\)](#)
- guide.