

Financial Statements Project

Required

Based on the annual report of the company you are reviewing, answer the following questions. If you cannot answer a particular question, briefly explain why. If the question is not applicable to your company's financial statements answer "N/A."

Show all necessary computations in good form. Label all numbers in your computations. If relevant, reference your answers to page(s) in the annual report.

"Current year" means the most recent fiscal year in the company's annual report. "Prior year" means the fiscal year immediately preceding the current year.

1. What products or services does the company sell? Be specific.
2. What do you think the outlook is for these products or services? Why do you think so?
3. By what percentage have sales increased or decreased in each of the last two fiscal years?
4. If the company reported sales by segments, which segment had the largest percentage of total sales? Which segment had the smallest percentage of total sales? **Show computations of the relevant percentages.**
Largest segment _____ Percentage of total sales _____
Smallest segment _____ Percentage of total sales _____
5. What is net income for the current year? _____
6. Did the current year's net income increase or decrease since the prior year? By how much? What caused the change?
7. If the company reported earnings by segments, which segment had the largest percentage of total earnings? Which segment had the smallest percentage of total earnings? **Show computations of the relevant percentages.**
Largest segment _____ Percentage of total earnings _____
Smallest segment _____ Percentage of total earnings _____
8. Did the company report any special, unusual, or otherwise nonroutine items in either current or prior year net income? If so, explain the item(s).
9. For the current year, how does net income compare to net cash provided (used) by operating activities?
10. For the current year, what one or two items were most responsible for the difference between net income and net cash provided (used) by operating activities?
11. Did the company pay cash dividends during the current year? If so, how much were they?
12. If the company paid cash dividends, what percentage of net income were the cash dividends? If the company did not pay cash dividends, why do you think it did not?
13. Which of the following is the company's largest asset category: accounts receivable, inventory, or land? What is the amount of that asset category?
14. If the company reported assets by segments, which segment had the largest percentage of total assets? Which segment had the smallest percentage of total assets? **Show computations of the relevant percentages.**
Largest segment _____ Percentage of total assets _____
Smallest segment _____ Percentage of total assets _____
15. How much cash did the company invest in property, plant, and equipment during the current year?
16. Which inventory method(s) did the company use?
17. Which depreciation method(s) did the company use?
18. If the company has any intangible assets, what kind are they?
19. Did the company report any contingent liabilities ("contingencies")? If so, briefly explain.
20. Does the company have any preferred stock authorized? If so, how many shares were authorized?
21. Does the company's common stock have a par value? If so, what was it?
22. In what price range was the company's common stock trading during the last quarter of the current year?
23. What was the market price of the company's common stock on DD/MM/Year?
24. Where (on what stock exchange) is the company's stock traded?
25. Who was the company's independent auditor?

26. For your company, compute or display all of the ratios referred to in the Chapter 3 discussion. Be sure to show the 3-part Dupont equation as a part of your presentation.

27. Name your company's number one competitor. As an overall summary, how does your company "stack up" to it by comparison, in terms of the previous questions you have addressed?