



Unit 3 Assignment 2 Rubric: Financial Analysis Report— Part 2

Please complete and submit steps 7–8 of the Financial Analysis Report —Part 2 White Paper for instructor review in this unit.

Complete the following steps due now in Unit 3:

7. Go to: <http://www.sec.gov/edgar/searchedgar/webusers.htm> Research EDGAR's database for additional SEC report filings: 8-k, 10-Q.

8. The following table is the type of Excel or Word table that should be used to gather and report *your current year's ratio and financial performance data*. **Note the 5 financial diagnostic categories that should be used in your analysis.** Use 2–3 ratios per diagnostic category. Place your ratio calculations in the table for your selected companies — primary company and benchmark competitor. Using 5 diagnostic categories, and 3 ratios to assess each category, report the 15 ratio measures per company that will be compared side by side.

There are many different ratios that you can use. Here are some examples. a. Liquidity of short-term assets: Current, Quick, Cash Ratios; b. Long-term debt-paying ability: Long-term Debt/Equity, Interest Coverage, Debt service, Time Interest Earned Ratios; c. Profit: Gross Margin, Operating Margin, Net Margin, ROA, ROE; d. Asset utilization/management efficiency: Inventory turnover, Day Sales inventory, Receivables turnover, Fixed asset turnover, Total asset turnover Ratios; e. Market measures: P/E, PEG, Dividend Yield, P/B.

- **To validate your research, review and compare the most current full year's annualized financial ratio data.**

The White Paper template can be found in Doc Sharing. Use the existing table provided or create a table in Word or Excel.

Unit 3 Section 8. Strategic Financial Analysis

Financial diagnostic categories for the most current full year's data:	Chosen company vs.	Benchmark competitor
1) Liquidity of short-term assets		
2) Long-term debt-paying ability		
3) Profitability		
4) Asset utilization/management efficiency		
5) Market measures		

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Criteria	Level 4 (Excellent)	Level 3 (Good)	Level 2 (Fair)	Level 1 (Poor)	Earned
<i>Criterion 1: (8 pts.)</i> Writing, spelling, and grammar	Consistently and ably uses properly structured paragraphs, sentences, grammar, and spelling.	Consistently and ably uses properly structured paragraphs, sentences, grammar, and spelling, with some minor errors.	Inconsistently uses properly structured paragraphs, sentences, grammar, and spelling. Document includes quite a few errors.	Does not consistently use properly structured paragraphs, sentences, grammar, and spelling. Document includes obvious errors.	
<i>Mechanics and Structure</i>	8	7	6	5	Earned:
<i>Criterion 2: (20 pts.)</i> Checklist: 7) Researches EDGAR's database for additional SEC report filings: 8-k, 10-Q. 8) Inserts in the table- 5 financial diagnostic categories and 3 ratios per diagnostic category for the most recent full year's financial ratios for a company and a benchmark competitor. Validates research, by comparing the most current full year's annualized financial data.	Demonstrates a thorough and insightful understanding of ratio analysis (10 pts.) Uses correct ratio analysis to thoroughly compare a public company and a benchmark competitor addressing all of the required checklist items validating all research. (10 pts.)	Demonstrates a somewhat firm grasp of ratio analysis (8 pts.) Uses correct ratio analysis to effectively compare a public company and a benchmark competitor in a somewhat informative and thoughtful manner in response to most of the checklist items validating research. (8 pts.)	Demonstrates a general grasp of ratio analysis (7 pts.) Uses mostly correct ratio analysis to compare a public company and a benchmark competitor in a generally informative and thoughtful manner in response to most of the checklist items, generally validating research. (7 pts.)	Demonstrates a limited basic knowledge of ratio analysis. (6 pts.) Uses some correct ratio analysis in a limited manner to compare a public company and a benchmark competitor in response to some of the checklist items and only partially validating research. (6 pts.)	
<i>Content</i>	20	16	14	12	Earned:

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<i>Criterion 3: (12 pts.)</i> Critical thinking and analysis	Response exhibits strong higher-order critical thinking and analysis (e.g., evaluation). Paper shows original thought.	Response exhibits some higher-order critical thinking and analysis (e.g., application of information). Paper shows some original thought.	Response exhibits simplistic or reductive thinking and analysis but does demonstrate general comprehension. Paper shows no original thought.	Response exhibits simplistic or reductive thinking and analysis and demonstrates limited general comprehension.	
<i>Critical thinking and analysis</i>	12	9	8	7	
			Total (40 pts.)	<i>Less than poor = 0 pts.</i>	Earned: