**MBA-534 Term Project: Financial Statements Analysis**

**Due Date:**

**Submission:**

**General Requirements:**

* Every student is required to submit a report. The report should be prepared in Word, using Times New Roman size 12 for the main body.
* Sample firms’ financial statements should be attached as appendix to the report, tables or graphs for ratio analysis should be inserted in appropriate sections.
* There is no definitive requirement for number of pages: a length of about 20 pages including cover and appendix is suggested.

**Instructions:**

1. Preparation:

Read the handouts/PPTs for chapter 2 & 3 and the corresponding sections in the textbook. (Chapter 2 & 3 are used exclusively for finishing the project: they will not be included in any tests.)

1. Pick the firms:

Decide a common theme (industry) for your project and choose three companies in that industry. Describe briefly the industry and company profiles, and analyze the firms’ competitive positions in that industry.

1. Collect data:

Download the financial statements (balance sheet & income statement) of those companies for last three years from the same source to ensure data consistency (e.g. Zacks Investment Research). Describe the data briefly in your report.

1. Perform ratio analysis:

Calculate the various financial ratios discussed in chapter 3 including liquidity ratios, asset management ratios, debt management ratios, profitability ratios, and market value ratios; also use the DuPont equation to calculate ROEs. Present the results in an organized way in your report. (All ratios in Table 3-1 on P119 should be included in your report; other ratios mentioned in the textbook are optional.)

1. Analyze the results:

Conduct trend analysis (time-series) and comparative analysis (cross-section) for various ratios to interpret the results and identify potential problems for sample firms. (Common size analysis and percentage change analysis are **not** required.)

1. Recommend changes:

Propose possible changes to address the identified problems to achieve competitive advantages.