

Assessment Brief – Newcastle Business School

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| Programme: | MBA |
| Module Code: | AF7006 / AF7011 |
| Module Title: | Accounting & Finance: Critical appreciation for strategic advantage |
| Distributed on: | |
| Submission Time and Date: | TBC |
| Word Limit: | 3,000 WORDS |
| Weighting | This coursework accounts for 100 % of the total mark for this module |
| Submission of Assessment | <p>All assignments must be submitted to online via the Turnitin Dropbox on blackboard.</p> <p><i>It is your responsibility to ensure that your assignment arrives before the submission deadline stated above. See the University policy on late submission of work (the relevant extract is set out below).</i></p> <p>Please note that assignments are subject to anonymous marking. Your name should not appear on the assignment submission only your student number.</p> <p>Electronic Management of Assessment (EMA): Please note if your assignment is submitted electronically it will be submitted online via Turnitin by the given deadline. You will find a Turnitin link on the module's eLP site.</p> <p>Please submit your assignment using Microsoft Word, or a compatible word processing software.</p> |

Required

Introduction

The purpose of this assessment is to enable students to obtain, analyse and compare the financial reports and related information of two publicly quoted (listed) companies and express their findings in the form of a report to an identified user of accounting information. The good financial analysis report requires a proper understanding (and reading) of the financial statements, their elements, the related terminology, working capital management, cost of capital, capital structure, and risk appraisal. The social-ethical investing (i.e., critical evaluation of Corporate Social Responsibility (CSR) disclosures in corporate communications, e.g., annual reports, Web sites, social media) should also be considered.

Details

Acting as a financial advisor *or* a potential investor (who is considering the purchase of shares in the company in question. The investor is looking for both income and capital growth and has a modest sum to invest in the company), you are required to select **two** major **non-financial** quoted companies from either:

- **FTSE350 index** using this [link](#).
- [Singapore Exchange](#)
- [Hong Kong Exchange](#)

Both companies should be in the same industry group, of similar size and should be working in the same market for which you will research, analyse and evaluate their consolidated financial results. You are required to produce a report evaluating the financial performance and position of these two companies as evidenced by their **most recently published** annual accounts.

You are advised to spend some time choosing your companies. Make sure you select two, which allows you to satisfy well the requirements of the assignment. Please note that it is not necessary for the companies you choose to be performing well; your task is to evaluate their performance and position objectively. Your report should include a comparison of the company's most recently published annual report with that *for the five*

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previous years. Your report should also compare your subject company's position and performance with that of one other comparable/competitor company, over the same period. Please note that an exact matching of year-ends is not required; it is acceptable to compare two companies even though one may have a December accounting year-end and the other a March accounting year-end.

Your choice of a main company and an appropriate comparator company is an integral feature of the assignment and will not be commented on by the module tutor or lecturers in advance of the report's submission.

Guidance

The aim of the assignment is to report on the financial position, performance and prospects of quoted companies. The analysis should try and give insights as to what is happening and not be merely descriptive. To do this, you may need to try and relate the information contained in the accounts to other external information.

Having chosen valid subject companies, you are then free to use any source you wish to obtain hard or electronic copies of said company's annual report. You are also advised to visit companies' websites that may be valuable sources of background information. Annual reports for the current year, and often for prior years too, are usually available to view and download within the website area entitled 'investors', 'investor relations' or 'about our company'. You do not need to append a full copy of the accounts to your report.

You can use, for example, **Yahoo Finance** or **Google Finance** to get the latest news, international market data, etc. The library, also, has a range of databases, holding accounting data and ratios for many UK companies, which may be helpful if you are looking for comparative information for another company. You are free if you wish to use a recognised database to access ratios for the current year and previous years and competitor companies. While databases, such as **Bloomberg, Financial Analysis Made Easy (FAME)**, supply a large amount of ratio analysis you may find it more helpful to undertake your analysis as sometimes databases make adjustments to the information presented in the published accounts so that it will fit their standard format. If you choose to use databases, you should acknowledge the potential discrepancies as a limitation within your report. This does not detract from the quality of your submission. It allows you to demonstrate familiarity with a relevant database and may save you time regarding accessing and analysing annual reports yourself. You may, however, feel more comfortable interpreting ratios, which you have calculated from the primary source and may choose not to use databases for this reason. This is a matter for your judgment.

Within your word limit, you do not have a lot of room for long introductions to the company and so on. Consequently, you can assume you are reporting to a sophisticated individual who has a good knowledge of accounting practices and the operation of the stock market. You are encouraged to make good use of charts, graphs and tables to present key information and to reference carefully. You are encouraged to be inquisitive and innovative in their approach as to what should be included in this report.

Please note that while you are expected to make use of the full annual report to support your analysis, you are required to demonstrate *your* analytical skills. You must NOT simply reproduce parts of the company report. If you do make use of text, charts, tables or any other material published in the annual report, please ensure that you acknowledge it, as failure to do so would constitute plagiarism.

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Late submission of work

Where coursework is submitted without approval, after the published hand-in deadline, the following penalties will apply.

For coursework submitted up to 1 working day (24 hours) after the published hand-in deadline without approval, **10% of the total marks available for the assessment** (i.e.100%) **shall be deducted** from the assessment mark.

For clarity: a late piece of work that would have scored 65%, 55% or 45% had it been handed in on time will be awarded 55%, 45% or 35% respectively as 10% of the total available marks will have been deducted.

The Penalty does not apply to Pass/Fail Modules, i.e. there will be no penalty for late submission if assessments on Pass/Fail are submitted up to 1 working day (24 hours) after the published hand-in deadline.

Coursework submitted more than 1 working day (24 hours) after the published hand-in deadline without approval will be regarded as not having been completed. **A mark of zero will be awarded for the assessment and the module will be failed**, irrespective of the overall module mark.

For clarity: if the original hand-in time on working day A is 12noon the 24-hour late submission allowance will end at 12noon on working day B.

These provisions apply to all assessments, including those assessed on a Pass/Fail basis.

Word limits and penalties

If the assignment is within +10% of the stated word limit no penalty will apply.

The word count is to be declared on the front page of your assignment and the assignment cover sheet. The word count does not include:

- Title and Contents page
- Reference list
- Appendices
- Appropriate tables, figures and illustrations
- Glossary
- Bibliography
- Quotes from interviews and focus groups.

Please note, in text citations [e.g. (Smith, 2011)] and direct secondary quotations [e.g. “*dib-dab nonsense analysis*” (Smith, 2011 p.123)] are INCLUDED in the word count.

If this word count is falsified, students are reminded that under ARTA this will be regarded as academic misconduct.

If the word limit of the full assignment exceeds the +10% limit, 10% of the mark provisionally awarded to the assignment will be deducted. For example: if the assignment is worth 70 marks but is above the word limit by more than 10%, a penalty of 7 marks will be imposed, giving a final mark of 63.

Students must retain an electronic copy of this assignment (including ALL appendices) and it must be made available within 24hours of them requesting it be submitted.

Note: For those assessments or partial assessments based on calculation, multiple choice etc., marks will be gained on an accumulative basis. In these cases, marks allocated to each section will be made clear.

Academic Misconduct

The Assessment Regulations for Taught Awards (ARTA) contain the ***Regulations and procedures applying to cheating, plagiarism and other forms of academic misconduct.***

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The full policy is available at: <http://www.northumbria.ac.uk/sd/central/ar/qualitysupport/asspolicies/>

You are reminded that plagiarism, collusion and other forms of academic misconduct as referred to in the Academic Misconduct procedure of the assessment regulations are taken very seriously by Newcastle Business School. Assignments in which evidence of plagiarism or other forms of academic misconduct is found may receive a mark of zero.

Mapping to Programme Goals and Objectives

This assessment will contribute directly to the following Postgraduate programme goals and objectives.

GOAL 1: Knowledge and Understanding (KU):

7.1.1 Demonstrate critical understanding of business administration and critically analyse theory at an individual, group and organisational level;

7.1.2 Demonstrate an appreciation of the potential implications of business practise on individual, group and organisational effectiveness

GOAL 2: Intellectual / Professional Skills & Abilities (IPSA):

7.2.1 Apply relevant knowledge relating to business administration to complex situations taking account of its potential relationship with implications for practice;

7.2.2 Present findings derived from critically reflecting on business administration to enhance personal impact in the organisation

GOAL 3: Personal Values Attributes (Global / Cultural Awareness, Ethics, Curiosity) (PVA):

7.3.1 Critically appraise how your own cultural and ethical values and associated behaviours may impact on your ability to engage and work ethically, constructively and sensitively in diverse environments and/or teams.

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AFAF7011 - 7006 Module Specific Assessment Criteria

| Criteria | Scales | | | | | | | |
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| | 0-39% Standard Not Met. Completely insufficient. Fail | 40-49% Standard Not Met. Insufficient. Fail | 50-54% Meets Standard. Adequate. Pass | 55-59% Meets Standard. Pass | 60-69% Meets Standard Good. Pass | 70-79% Exceeds Standard. Very Good. Pass | 80-89% Exceeds Standard. Excellent. Pass | 90-100% Exceeds Standard. Outstanding. Pass |
| Outline of the Financial Statement Analysis Report | Failure to write out a well-organised and structured financial statements analysis report in an appropriate format and style to an identified user of accounting and finance information. | The report may be outlined but linkages to accounting and finance information are tenuous. | The outline identified and linkages to accounting and finance information set out. | Reasonably good outline that clearly includes the key groups of ratios and identifies the key issues (and how they are addressed through accounting and finance input), explanations, and main findings obtained from the ratios, horizontal and vertical analyses, and other sources of information. | Good outline that clearly includes the key groups of ratios and identifies the key issues (and how they are addressed through accounting and finance input), explanations, and main findings obtained from the ratios, horizontal and vertical analyses, and other sources of information. | Higher order critical appreciation skills are displayed. Very good outline that maturely establishes the key issues (and how they are addressed through accounting and finance input), professional explanations, and main findings obtained from the ratios, horizontal and vertical analyses, and other sources of information. | A mature ability to succinctly present a critical synopsis of the financial analysis concepts with well-structured and signposted linkages to the accounting and finance information. | Excellent and highly professional critical synopsis of financial analysis, well-structured and signposted linkages to the accounting and finance information. Appropriate conclusions, implications, limitations, and recommendations. Work could be presented in the professional domain. |
| Critical evaluation of financial statements and ethical implications | Very poorly constructed evaluation that fails to link to annual reports, companies' Web sites, financial databases, academic accounting and finance literature, which demonstrates poor understanding of or engagement with relevant theories. Very limited reading. | Evaluation is weak and as a result you are unable to demonstrate understanding of financial statement analysis areas or work is constructed in such a way that arguments are not clear. You are able to show in a basic way the relevant areas of consideration but in a way that is muddled or contains some errors. | Evaluation is supported by literature and the arguments being made are logical. You show understanding of the major themes, but scope may be limited and lack inclusion of current literature. Work may be heavily reliant on professional sources. You are able to accurately discuss the relevant practical implications and ethical | Evaluation is reasonably comprehensive and organised to bring out the main themes and debates, you have drawn on a wide range of sources and engaged with seminal as well as current work. Appropriate use is made of professional body literature. Your discussion of the relevant practical implications and ethical challenges for | Evaluation is comprehensive and organised to bring out the main themes and debates, you have drawn on a wide range of sources and engaged with seminal as well as current work. Appropriate use is made of professional body literature. Your discussion of the relevant practical implications and ethical challenges | Very good evaluation which may not be completely comprehensive, but nevertheless shows advanced understanding of the main debates. Your writing is mature. Your discussion of the relevant practical implications and ethical challenges for the chosen area is very well presented and | A mature ability to critically appreciate concepts and their inter-relationship is demonstrated. Clear evidence of independent thought. Presentation of work is fluent, focused and accurate. Knowledge and understanding are comprehensive in both breadth and depth. Excellent | Exceptional scholarship for subject. Knowledge and understanding are comprehensive in both breadth and depth and in the comprehensive evaluation. Excellent engagement with academic literature and professional documents; you have consulted an excellent range of materials and presented the main points in a way that |

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| | No evidence of having understood the financial analysis areas. Large gaps in presentation or significant numbers of errors. | | challenges. | chosen area is well presented and argued. | for chosen area is well presented and argued. | argued, your work shows strong engagement with a good range of relevant academic work and relevant professional practice documents. | engagement with academic literature and professional documents; you have consulted an excellent range of materials and presented the main points in a way that is entirely convincing. Your discussion of the relevant practical implications and ethical challenges for chosen area is extremely well presented and argued. | is entirely convincing. Your discussion of the relevant practical implications and ethical challenges for chosen area is extremely well presented and argued. Your work is of a quality that would be valuable to a potential investor and/or a financial analyst. |
| Overall | Evidence that there are major gaps in knowledge or understanding. Part of work may be missing. Work is poorly presented, and it is difficult to follow arguments being made. The parts of the financial analysis report bear little or no relationship. You have not used a proper list of references including papers in academic journals, books, electronic sources, etc.). | Gaps in knowledge but some attempt to develop argument is evident and work is reasonably coherent. Linkages between your arguments and accounting and finance information are lacking or unclear. The report may contain very few references, but these are tenuous. | You have engaged with the task at hand and demonstrated sufficient understanding of key concepts of financial statement analysis to be able to pass module, but presentation is descriptive rather than critical. | You have engaged with the task at hand and demonstrated competent understanding of key concepts and issues in financial statement analysis but may not be consistently critical in presentation. | You have engaged with the task at hand and demonstrated competent understanding of key concepts and issues in financial statement analysis but may not be consistently working at higher order levels. | You have engaged with the task and shown good levels of understanding of key concepts of financial statement analysis. Presentation is of a high standard and your arguments are convincing and supported using appropriate literature from academic, professional, and electronic sources. | Work presented is thoughtful and of a very high standard of presentation in a manner that could be presented in the workplace. | You have researched, analysed and evaluated the company's consolidated financial results. You then compared such analysis and evaluation with that of a competitor or more working in the same industry group. You wrote out a well-organised and structured financial statements analysis report in an appropriate format and style to an identified user of accounting and finance information, using headings and sub-headings to |

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| | | | | | | | | <p>indicate topics discussed. You have used a comprehensive list of references used including papers in academic journals, books, electronic sources, etc.). The work submitted would be of a standard that would be valuable to the professionals and that could be considered for publication having produced an exceptionally well-argued piece of work.</p> |
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No AOL data collected from Module