

## **ASSESSMENT BRIEF**

**L7 Finance for Decision Makers:** Individual written report, 100%

**Module Leader:** Sana Tanveer

### **Key Details and Requirements**

**Submission deadline:** Friday, 16 December 2022, no later than 16:30pm (GMT)

#### **Learning outcomes:**

1. Critically discuss and evaluate the requirements of contemporary managers in relation to decision making and financial management in modern business context,
2. Critically discuss and apply quantitative and qualitative management skills in decision-making, including behavioural issues.
3. Apply modern financial and decision-making skills in advising a strategically focused organisation.

**Assessment details:** Individual written report, 100% (2,500 words +/- 10%)

**Referencing:** Students are expected to use Harvard Referencing throughout their assignments where required. Please follow the Harvard Referencing Handbook for all your assignments at the ULBS.

**Submission Method: Turnitin** - Your work needs to be put through Turnitin. All submissions will be electronically checked for plagiarism.

You have the option to upload your work ahead of the deadline, ULBS will be reviewing your last submission only.

Turnitin cannot be used for late submissions. In such case, you should send your work to [Turnitin-submissions@law.ac.uk](mailto:Turnitin-submissions@law.ac.uk)

Please note that you can deviate +/- 10% from the word limit stated on each assignment.

## ASSIGNMENT DETAILS

Each individual student will research, prepare a critical analysis of financial information for a FTSE 100 company, and submit a formal report.

For developing this report, each student must select ONE company as a case study. Any company in any sector of industry could be a valid option.

Students should note that the annual reports of FTSE100 companies are available on their websites and are easily accessible. The annual reports include a wealth of information including both financial and non-financial information. Commentary both from the company and from analysts outside the company will be required to guide the analysis. You can also use other reliable sources of information like industry reports, economic data published by various government and non-government organisations and any other information that you deem fit for the purposes of your analysis.

The report should summarise the following aspects of the company's performance (NOTICE: no separate answers to each question are expected. These questions are to make apparent the core issues faced by companies):

- 1) Using financial reports data for a total of 5 years, 4 years pre-Covid-19 crisis (i.e., 2016-2019) AND the Covid-19 crisis years (i.e., 2020-21) each student is expected to focus their attention on the general strengths and weaknesses that the company had before the crisis, and any possible changes in the company circumstances during the crisis, including information from 2021 whenever possible. Notice that as financial, annual and other reports for the year 2021 will not be complete, any partial reports and information could be used to inform your discussion. Constraints in access to information must be made apparent in the "methodology" and the "analysis" section of the report.
- 2) As the company selected as a case study may be a multinational corporation, students have to appreciate that the company's performance may differ from

other companies who only trade in the UK because their revenues may depend on different countries, which were less/more affected by the crisis. This factor should be an interesting point to develop by looking at the particular location of operations which have suffered more during the crisis, the type of activities/operations/products of the company which have been more/less harmed, and to find out any possible variations in the short-term strategy of the company during 2020-21.

3) Clearly identify the ratios in the corresponding financial statements depicting information of positive and negative consequences of the crisis versus the pre-crisis performance. Has the company changed its capital structure by taking/issuing more debt/equity? Has the company changed its Working Capital policies/ratios? Has the company fulfilled any investment plans during the crisis period or delayed investments which were scheduled in advance to 2020-21? Have the profitability indicators been acutely/slightly affected by the crisis? How has the company progressed in the application of the ESG Criteria?

4) Clearly identify the reports, accounts, ratios, and intelligence provided by external analysts. Incorporate relevant information about assistance/support received from government or Bank of England policies during the crisis. If commentaries are not openly identified in the company's financial statements and accounts, students are expected to notice this fact and state possible reasons for the missing information/details.

5) Visibly ascertain the risk factors that the company should be surveying after the crisis (i.e., short-term and medium-term after the crisis), and relate each one of these risk factors to explicit financial reports, accounts and ratios that must be monitored by the corresponding financial manager, the executive and board of directors of the company, and any potential investors and stakeholders.

The report is to be handed in by the submission date including all academic references used in the presentation. References will be provided in alphabetical order using the Harvard system (Guidelines to be followed in the structure of the report is contained in Appendix 1).

There is a selection of suggested articles in Appendix 2, which complements the reading in the Study Guide for the module. These articles will assist students in

identifying core impacts from the pandemic crisis on the business sector. Some of the issues arising in these articles apply to your case study. Some may not. Thus, you will need to understand and be able to explain why the selected company is or is not affected as the general characterisation made in the suggested articles envisages. Each student is expected to demonstrate both their understanding of financial information from a managerial/financial analyst perspective, and their competency using concepts and relationships in their analysis of a real company in its up to date environmental conditions.

## APPENDICES

### **APPENDIX 1. WRITTEN REPORT. GUIDELINES. Presentation Structure APPENDIX 2. SUGGESTED READING MATERIAL**

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#### **APPENDIX 1. WRITTEN REPORT.**

##### **GUIDELINES. Presentation Structure**

The written assignment should include the following sections:

- Front page: with title, name of the course, name of the university, date, word counting, Candidate's number.

- Introduction: Brief paragraph with a general rationale/motivation for your choice of the company/case study, and main highlights in the structure of the assignment.

- Methodology: This section describes in a concise manner the way the research and analysis has been carried out. This means that there should be a few brief paragraphs providing an overview of the reasons for choosing the company, the chosen sources of data for the case study (e.g., company's site and financial reports, specialized analyst pages, Bloomberg, etc.). You should also mention the period under consideration (i.e., 2016-2020-21), the procedure followed for collecting and processing the data/information employed (e.g., did you calculate the company's financial ratios), rationale of data used in the report (e.g., financial reports, financial statements, financial ratios, graphs and tables focused on/drawn on within the discussion, etc.) Please, remember to mention whether the graphs and tables are produced by the student or have been taken/copied from other sources.

-Literature Review: This section will contain the theoretical framework for your analysis. It comprises a few brief paragraphs with quotations/references/explanations (in some detail) regarding the core relevant financial concepts/reports/accounts/ratios and relationships to be applied in the discussion of the selected case (e.g., you may emphasize how the importance/relevance of particular information, statements, accounts, and ratios may change from the "ordinary period" (i.e., 2016-2019) versus the crisis phase (i.e., 2020-21).

- Analysis/Discussion: Critical application of financial analysis concepts and relationships between financial information and an individual company. This section shows how the financial reports, statements, and ratios disclosed by the selected company can help to understand its evolution and performance. Remember to refer articles, reports, and data (e.g., in tables and graphs) to justify and support the statements made during the analysis. The discussion may also consider how the company may have benefitted from the support of the government and central banks during the crisis and how different this company's performance could be compared to the sector of industry in the country where the parent company is located (i.e., Remember that Multinational Corporations -MNCs- may divert production and sales around the world in a way that local or less diversified companies cannot do). The analysis must also highlight and explain the benefits and/or drawbacks from the crisis on the general financial results of the selected company. Finally, the REPORT is expected to offer a well-defined list of those remaining risks which may affect the company in the near future (i.e., requiring the attention by the company's financial manager and executive). Bring to mind those risks to be scrutinized and tracked by investors and stakeholders to make sure the company can fully recuperate in the years to come. Do not forget to mention the application of the ESG Criteria by the company.

- Conclusion: This section is a systematic reflection on the different parts of the Assignment, and about how the information generated by financial reporting and analysis could be core for decision making, and for guaranteeing the survival of the selected company.

-List of **References**: (the list does NOT count towards the word-count)

The minimum information for all the sources used in your assignment comprises

(Please, refer to Harvard reference standards):

1. Books and Journals: (a) first author (b) title of article or book (c) title of journal (if relevant) (d) volume number (e) year of publication (f) publisher (books only)

2. Internet sources: full reference of Web-based sources providing details of author, name of articles/report, date of publication, date of accessing the site.

3. Any other relevant source of information (e.g., videos, news, etc.)

- **Appendices**: (these do NOT count towards your word total)

a) If considered appropriate, any article/report that was core to support the statements contained in the assignment.

b) Any other additional information that is not essential for the main discussion, but it was significant for writing the assignment, being complementary to your discussion/analysis (e.g., significant extra tables and graphs).

## **REMEMBER:**

\* The assignment marks will be allocated to the individual student depending on the suitable choice of articles, use of pertinent financial analysis concepts, depth of coverage in the discussion, and sound application of financial theory. Marks will also be awarded subject to a logical structure of the report, language and referencing.

\* Use as many textbooks, articles, reports, videos, data, and serious academic and business material as considered useful. Better research and critical analysis will receive better marks.

\* Always write in third person (e.g., this assignment, the research, the theory, the textbook, the article by..., the presentation by...,)

\* All written assignments must be submitted using a WORD format via Turnitin. If you experience issues when uploading your work, please email it by the deadline to Turnitin-submissions@law.ac.uk

\* Please look below to links for information on the Harvard Referencing Style. **Be careful when quoting other people's work within your own Paper to avoid penalties for Plagiarism.**

\* Keep a copy of your assignment.

## **REGARDING REFERENCES:**

Useful URLs for Harvard Style of Referencing:

- UK REPORTs (n.d.) Harvard Referencing Guide, Available on-line at: <https://www.ukREPORTs.com/referencing/harvard/> [Accessed 14/12/20]
- Anglia Ruskin University (n.d.) Harvard System. Available on line at: <https://libweb.anglia.ac.uk/referencing/harvard.htm> [Accessed 14/12/20]
- **APPENDIX 2. SUGGESTED READING MATERIAL**
- The Economist (12/06/21) A new architecture. A less loophole-riddled system for taxing companies is within reach Online at: <https://www.economist.com/leaders/2021/06/12/a-less-loophole-riddled-system-for-taxing-companies-is-within-reach> (Accessed 15/06/21)
- The Economist (05/04/21). The land that ambition forgot. Europe is now a corporate also-ran. Can it recover its footing? Online at: <https://www.economist.com/briefing/2021/06/05/once-a-corporate-heavyweight->

europa-is-now-an-also-ran-can-it-recover-its-footing (Accessed 15/06/21)

- The Economist (13/06/21) Bunged up. How green bottlenecks threaten the clean energy business. Online at: <https://www.economist.com/leaders/2021/06/12/how-green-bottlenecks-threaten-the-clean-energy-business> (Accessed 15/06/21)
- The jobs and the job-nots. Uneven vaccination rates are creating a new economic divide. Online at: <https://www.economist.com/finance-and-economics/2021/06/13/uneven-vaccination-rates-are-creating-a-new-economic-divide> (Accessed 15/06/21)
- The Economist (24/03/20) The importance of people people. The coronavirus crisis thrusts corporate HR chiefs into the spotlight. Online at: <https://www.economist.com/business/2020/03/24/the-coronavirus-crisis-thrusts-corporate-hr-chiefs-into-the-spotlight> (Accessed 15/06/21)
- PNAS (28/07/20). RESEARCH ARTICLE. The impact of COVID-19 on small business outcomes and expectations. By Alexander W. Bartik, Marianne Bertrand, Zoe Cullen, Edward L. Glaeser. Online at: <https://www.pnas.org/content/117/30/17656> [Accessed 14/12/20]
- McKinsey (09/12/20) COVID-19: Implications for business. Executive briefing. COVID-19 and the great reset: Briefing note #35, December 9, 2020. Online at: <https://www.mckinsey.com/business-functions/risk/our-insights/covid-19-implications-for-business#> [Accessed 14/12/20]
- McKinsey (16/06/20). How the COVID-19 crisis is affecting UK small and medium- size enterprises. By Maria Albonico, Zdravko Mladenov, and Ruchi Sharma. Online at: <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/how-the-covid-19-crisis-is-affecting-uk-small-and-medium-size-enterprises> [Accessed 14/12/20]
- Daily Maverik (01/04/20) Coronavirus #Lockdown. Covid-19 impact on small business is immediate — and many fall through the official safety net. By Marianne Merten• 1 April 2020. Online at: <https://www.dailymaverick.co.za/article/2020-04-01-covid-19-impact-on-small-business-is-immediate-and-many-fall-through-the->



official-safety-net/ [Accessed 14/12/20]

- Live Design (19/08/20) BUSINESS & PEOPLE NEWS. The 2020 Pandemic: Impact Of COVID-19 on the live events industry. By Ellen Lampert-Greaux Aug 19, 2020. Online at: <https://www.livedesignonline.com/business-people-news/2020-pandemic-impact-covid-19-live-events-industry> [Accessed 14/12/20]
- International Labour Organization (n.d.) COVID-19 and the world of work. Sectoral impact, responses and recommendations. Online at: <https://www.ilo.org/global/topics/coronavirus/sectoral/langen/index.htm> [Accessed 14/12/20]
- Gov.uk (12/11/20) Collection. Financial support for businesses during coronavirus (COVID-19). Online at: <https://www.gov.uk/government/collections/financial-support-for-businesses-during-coronavirus-covid-19> [Accessed 14/12/20]
- Gallup (15/03/20) COVID-19 Strategies and Policies of the World's Largest Companies. By Larry Emond And Ellyn Maese. Online at: <https://www.gallup.com/workplace/292334/covid-strategies-policies-world-largest-companies.aspx> [Accessed 14/12/20]
- Bloomberg (26/03/20). Covid-19: Listed Companies' Disclosure Obligations on Coronavirus. Bloomberg Quint Opinion. By Arindam Ghosh, Moin Ladha, and Gaurav Malhotra. Online at: <https://www.bloombergquint.com/opinion/covid-19-listed-companies-disclosure-obligations-on-coronavirus> [Accessed 14/12/20]  
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- Deloitte Insights (03/03/20). The economic impact of COVID-19 (novel coronavirus). COVID-19 could affect the global economy in three main ways. Online at: <https://www2.deloitte.com/us/en/insights/economy/covid-19/economic-impact-covid-19.html> [Accessed 14/12/20]
- Oxford Business Group (24/04/20). The impact of Covid-19 on global supply chains. Online at: <https://oxfordbusinessgroup.com/news/impact-covid-19-global-supply-chains> [Accessed 14/12/20]
- ICAEW (n.d.). Financial management implications of coronavirus. Online at: <https://www.icaew.com/technical/business-and-management/financial-management/financial-management-implications-of->

coronavirus#:~:text=Financial%20management%20%E2%80%93%20the%20art%20of%20the%20possible,through%20the%20issues%20and%20helping%20th%20eir%20businesses%20respond. [Accessed 14/12/20]

- The Economist (09/12/20). A year of raising furiously. Companies have raised more capital in 2020 than ever before. What now? Business Dec 9th 2020 edition. Online at:  
<https://www.economist.com/business/2020/12/09/companies-have-raised-more-capital-in-2020-than-ever-before> [Accessed 11/12/20]

### **Useful URLs for obtaining financial data and comments on companies:**

Yahoo Finance: Online at: <https://uk.finance.yahoo.com/> Bloomberg: Online at: <https://www.bloomberg.com/europe> The Financial Times: <https://www.ft.com/>

The Economist: <https://www.economist.com>

Investopedia (09/01/21) Top 6 Websites for Finding a Company's Financial Stats. By JEAN FOLGER. Updated Jan 9, 2021. Online at: <https://www.investopedia.com/financial-edge/0911/top-6-websites-for-finding-financial-stats.aspx> (Accessed 15/06/21)