

Financial Accounting Group Project Guidelines

In this project, groups need to select two peer companies from a specific industry of their choice and update the final list of companies to the CR of your section.

Excel Part

You need to analyze your company's financial position, performance and selected footnote disclosures covered in your course. This analysis would require you to compare your company's position, performance and footnote disclosures with same parameters of its peer firm.

It is suggested that you should do at least a three-year trend analysis of all items to gain some interesting insights into the above aspects of your firm. Further insights can also be obtained by relating each firm's disclosure practices with its overall business strategy, position and performance.

To facilitate your thinking, an indicative direction for analysis is provided below. You need to confine the analysis only to the below points.

1. Prepare face presentation of Balance sheet & Income statement of your companies for recent three year.
2. What revenue recognition policies your company followed in the recent years? Are these policies consistent in all the recent years? Are these policies consistent with the way the company carries out its business? Does your above analysis indicate that the reported revenue figures of your company are aggressive or conservative?
3. What inventory valuation policies your company has used in recent years? Are these policies consistent in all the recent years? If your company has changed its inventory valuation policy, how it has affected its reported COGS figures and its profits?
4. What depreciation policies your company have used in recent years? Are these policies consistent in all the recent years? Are these policies consistent with the way a company carries out its business? Does your above analysis indicate that reported depreciation figures of your company are aggressive or conservative?
5. Perform Horizontal and vertical (Common size statements) analysis of your company.
6. Perform the ratio analysis of all types of financial ratios covered in classes and Dupont analysis of your company for the last three years. Be sure that the units (e.g.: times, days, percents, etc.) are specified. Calculate ratios in excel sheet. For every ratio numerator and denominator should be connected with the financial statement numbers through cell reference.
7. Analyze the cash flow statements of your company in the last four years. Are the cash flows healthy or not?

Word doc Part

1. Briefly discuss your assigned Industry and its growth prospects. Identify strengths, weaknesses, opportunities and threats of each company. Discuss any interesting recent anecdotes of your industry/company pertaining to your above assessments.
2. Do the overall comparative analysis of all the companies in terms of all the above-mentioned aspects. Ex- Put the final calculated ratios from excel to word file in concise manner and give your interpretation on the results of ratio analysis. Do comparative ratio analysis.
3. Based on the results of above analysis, summarize, and justify your observations to an equity investor about each company and give recommendations.

Please do not present your report in question answer format. Follow the standard acceptable format for preparation of your project report. It should include: Introduction (Industry overview & companies overview with SWOT analysis), Scope or objective of the study (e.g. Comparative analysis of FS), Methodology and Analysis (policies analysis and ratio analysis, CFS analysis), and Recommendations).

Other details regarding group project submission are as follow:

- i. The plagiarism of your report will be checked by Turnitin. Please ensure that whatever content you take directly from annual report is in quotes, so that it will not be counted in similarity percentage.
- ii. Submission Deadline (Excel + Word doc) - 11th Aug 2024
- iii. Maximum Word doc Page Limit- 20 Pages
- iv. Word doc submission should be in font size 12, times new roman, single spacing.

ALL THE BEST!