Cases –

Two Steps to Each Analysis

You will be assigned a textbook case study (See team assignment page above). What do you do next? There are TWO (2) steps

✓ 1. Step One: Preparing the Case:

Don't just report facts!!

Assess the MEANING and FUTURE IMPLICATIONS of the facts.
1. Study the case assigned.
2. Ask the professor for helpful "hints" to assist in your task.
3. Go online and download the most recent 10k for the company as supplemental information as to what has happened recently.
4. Read letters to Shareholders
   – look for key points and highlight these in your presentation
5. Read proxy statements
   – look for significant issues or shareholder proposals and highlight these in your presentation
6. Review the Balance Sheet
   – (a) Report on the current ratio and how it has changed. Comment on the significance (or implications) of their specific ratio

   – (b) Report the ROA (Return on Assets). What is it, what was it in the previous period, and how does it compare to the nearest competitor?

   – (c) Report the ROE (Return on equity). What is it, what is it in the previous period, and how does it compare to the nearest competitor?

   – (d) Report any other ratios that seem significant to you

7. Review the Income Statement
   – (a) Report the percentage change in revenue. How does this compare to the nearest competitor? [Horizontal Analysis & cross-sectional analysis]
– (b) What is the ratio of net income to revenue? How has it changed from the preceding period? How does this compare to the nearest competitor? [Vertical Analysis]

– (c) Certainly there are many other interesting items on the Income Statement? What are these and how are they likely to impact future strategies?

8. Per Share Data
– (a) What is the company's basic EPS (Earnings Per Share) and how has it changed from the preceding period? How does this compare to the nearest competitor?

– (b) What is the company's diluted EPS (Earnings Per Share) and how has it changed from the preceding period? How does this compare to the nearest competitor?

– (c) Did the company declare dividends? If so, what were they and how did they change from the preceding period? How does this compare to the nearest competitor?

9. Review the Statement of Cash Flows
– (a) Examine cash flows from Operating Activities.

– (b) Is the number healthy?

– (c) How does it compare to the preceding period?

– (d) Does the change suggest anything about future challenges?

– (d) How does this compare to the nearest competitor?

10. Beta
– (a) Compare the company's Beta to the closest competitor.

– (b) What does this suggest to you?
✓ **2. Step Two: Presenting the Case**

1. **Introduce** and describe the specifics of your textbook Case to the Class – including your assigned Case Questions

2. **Offer your solutions** to the Class **AND** ask the class for suggestions

3. **Post Mortem Analysis** – (after the event discoveries) Report the discoveries from your current 10k analysis to the issues in the textbook case.

   Linking an older case study can be tricky but it can also provide insights into how specific challenges and strategies have influenced subsequent corporate performance.

4. **Open the discussion** to the class **AND** answer questions by class and Professor

5. **Summarize** and End (Professor will signal when this should be done)

   **Use Power Points for your presentation**