

King's College
Intermediate Accounting II - ACCT 270
Sophomore-Junior Diagnostic Project: Spring 2010

The Accounting Department's Sophomore/Junior Diagnostic Project has been designed to help you learn to analyze financial statements (Annual Reports), an activity essential to your professional development at this time in the major program. The Project will also help us to determine how effectively you are continuing to improve the liberal arts skills of critical thinking and effective oral and written communication, also essential to your success in the profession.

Materials:

- The most recent Corporate Annual Report or 10K filings and balance sheet, income statement, and cash flow information for a minimum of two prior years
- Articles from peer reviewed or authoritative sources.

Format: Students teams are formed to analyze the Annual Report of 10K filing of a publicly traded corporation. Each team must select a company that has not previously been chosen by another team. The company must be approved by the course professor. Each student is responsible for presenting a portion of the analysis and submitting a full sentence outline describing the content of their section, citing sources used to develop their presentation.

Time frame: Maximum 25 minutes per team; Minimum 5 minutes per team member.

Minimum Required Content: Your presentation should provide information to answer to the following questions. As an investor, would you purchase this company's stock? As a creditor, would you lend this company more funds? Your content should offer compelling support for your answers to these questions. The individual presentations and outlines for each team should focus on one or two of the following elements. No two members of a team should present the same information. Ideally, the team, as a whole, will adequately address all of these required elements.

1. Company description (no more than 3 to 5 minutes).
2. Analysis of the Company's industry and Management's Discussion and Analysis (no more than 3 to 5 minutes).
3. Overview of the annual reports (no more than 5 to 7 minutes).
4. Assessment of the company's general financial condition (no more than 5 to 8 minutes).
5. An ethical audit of the company (no more than 2 to 3 minutes).
6. Conclusions (no more than 2 minutes).

Clearly, these elements must be adapted to fit the nature of the specific company being analyzed. Further guidance in developing your presentation is provided in the *Guidance for Performing Financial Analysis* document available from the ACCT 270 area of boscia.com.

Required Submissions: Each team will also submit a portfolio containing the following items: (1) a CD with the following files: (a) an EXCEL spreadsheet containing their company's financial statements and financial ratio computations using cell formulas, (b) the PowerPoint file used for the oral presentation, and a properly formatted bibliography using either the MLA, APA

or the Chicago style of citation, (2) print outs of (a) each team member’s full sentence outline (b) the PowerPoint presentation formatted with a 6 slides per page, (c) the bibliography of outside resources used by each team member, and (d) a professional résumé from each team member. This portfolio should include a cover page.

Individual Performance Evaluation: Your presentation will be evaluated based on both the oral presentation and your portfolio. In addition, your critical thinking skills, technological competency, information literacy, and your oral and written communication skills also will be assessed using the criteria listed below. You will be individually scored on the extent to which you meet the evaluation criteria using the following 5-point scale.

To a	To a				
Completely	great extent	satisfactory extent	Inadequately	Not at all	
5	4	3	2	1	0

Criteria	Points
CRITICAL THINKING	
• Your descriptions of issues were comprehensive and accurate	<u>5</u>
• Your analysis of the company’s information was thorough	<u>5</u>
• Your report reflected a clear understanding of the company characteristics	<u>5</u>
MORAL REASONING COMPETENCY	
• You were able to recognize at least one ethical issue that challenged your company	<u>5</u>
• You were able to analyze the future results from the company’s ethical choices	<u>5</u>
EFFECTIVE ORAL COMMUNICATION	
• Your presentation was delivered at the time scheduled and was an appropriate length	<u>5</u>
• You were dressed appropriately for a professional presentation	<u>5</u>
• You were poised, controlled, expressive and maintained eye contact	<u>5</u>
EFFECTIVE WRITTEN COMMUNICATION	
• Your outline was well organized, grammatically correct, and used clear language	<u>5</u>
• Your presentation portfolio was well-organized and complete	<u>5</u>
• Your presentation portfolio was submitted on time	<u>5</u>
QUANTITATIVE REASONING COMPETENCY	
You presented quantitative information that was relevant to your presentation	<u>5</u>
You correctly interpreted the quantitative information	<u>5</u>
TECHNOLOGICAL COMPETENCY	
• Your team used EXCEL cell formulas to perform ratio calculations	<u>5</u>
• Your team’s EXCEL spreadsheet was visually appealing and complete	<u>5</u>
• You used PowerPoint to developing a visual aid for your presentation	<u>5</u>
• Your PowerPoint slides enhanced your presentation	<u>5</u>
INFORMATION LITERACY	
• You based your evaluation of the company on sufficient evidence	<u>5</u>
• You based your evaluation of the company on reliable evidence	<u>5</u>
• You provided a bibliography that was properly formatted	<u>5</u>
Total score (100 points possible)	<u><u>100</u></u>

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Integration of Competency Growth Plans

1) Critical Thinking Competency

On an ongoing basis, throughout the course, students should be able to:

- a) Understand the general components of the Balance Sheet, Income Statement, Statement of Cash Flows, and Statement of Retained Earnings (the General Purpose Financial Statements of a Corporate Annual Report)
- b) Analyze the individual Liability and Equity accounts of a Balance Sheet by attesting to the types of transactions that flow through each account.
- c) Assess the general financial condition of a Corporation through item b) above.

2) Moral Reasoning

The student should be able to use prior knowledge gained from accounting and business courses to assess ethical conflicts. The student also should be able to articulate a resolution to ethical conflicts in accounting in a logical manner.

3) Effective Writing Competency

The student should be able to prepare a written analysis of a corporation's general financial condition based upon a thorough review of its Annual Report.

4) Oral Communication Competency

The student should be able to present an effective presentation related to a corporation's general financial condition based upon a thorough review of its Annual Report. In addition, the student should be able to involve an audience as active participants in a presentation as well as react to audience questions.

5) Quantitative Reasoning Competency

The student should be able to perform trend and ratio analysis for a corporation's Annual Report. In addition, the student should understand comparisons of items from financial statements in time-series and cross-sectional formats.

6) Technology Competency

The student should be able to conduct research on the Internet relevant to a corporation's Annual Report. In addition, the student should prepare the Sophomore-Junior Assessment Project using Microsoft Word, Excel Worksheet, and other relevant Windows computer applications. Presentation of the Sophomore-Junior Assessment Project should be done with Power Point to enhance its effectiveness in today's business world.

7) Library and Information Literacy Competency

The student should be able to research and identify the relevant information needed to evaluate a corporation's Annual Report with accompanying footnotes.