**Assignment 2 – Historical Analysis (75 points)**

***YOU WILL SUBMIT THE SPREADSHEETS FROM CLASS THAT SUPPORT YOUR COMPANY’S HISTORICAL STATEMENTS AND RATIOS IN EXCEL. This is a second attempt to get the spreadsheets correct if there were issues from Classwork 4.***

***IN YOUR OUTLINE CREATED IN HOMEWORK 1, SUBMIT YOUR FINAL PROJECT CONTAINING EACH TABLE FOLLOWED BY THE ANALYSIS FOR THAT TABLE AND SECTION.* INDIVIDUAL WORK IS ONLY ACCCEPTABLE.**

You are to complete a **five-year historical analysis** on your selected company of the most recent five years of data in the spreadsheets for your company for the income statement, balance sheet, ratios and segment analysis plus three years for Segment Analysis.

You are to include a **table with industry averages that includes only the numbers and ratios below in a through c** and then heading for each ratio under discussion with a one to two paragraph of analysis for the areas listed below. The ratios must come from your historical ratio spreadsheet for your company and should be similar to classwork 3. After reviewing the ratios, write a concise analysis about each ratio under the table on:

1. The **Profitability** table followed by the write-up that should include the actual ratios and industry averages for:

* **Sales – Included only in table but discussed in sales growth**
* **Sales Growth – You must discuss each year of sales growth for this section to be complete**
* **Gross Profit Margin**
* **Return on Sales**
* **Return on Asset**
* **Return on Equity**

1. The **Asset Efficiency** table followed by the write-up that should include the actual ratios and industry averages for:

* **Inventory DOH**
* **Accounts Receivable DOH**
* **Accounts Payable DOH**
* **Total Asset Turnover**
* **Liquidity and Leverage – Debt-to-Equity only**

When writing the analysis, there should be a discussion of each ratio in the table with a comparison of the final year to the industry average.

You **must read the Management Discussion and Analysis in the 10-K for a good analysis** to determine the underlying reasons for the changes in the ratios. Classwork 2 and 3 should provide a basis for this assignment. You should look for any trends in any two to three period or significant changes in a single year in the ratio for discussion and review.

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| **Homework 2 - Grading Rubrics** | | |
| **Rationale** | **Points Avail** | **Points Earned** |
| 5-year historical analysis- selected company |  |  |
| Income statement | 4 |  |
| Balance Sheet | 4 |  |
| Ratios | 4 |  |
| Segment Analysis | 3 |  |
| Profitability Table with Industry averages in outline | 5 |  |
| Profitability Analysis with Ind Avg and Seg An. | 15 |  |
| Asset Efficiency Table with Industry averages in outline | 5 |  |
| Asset Efficient Analysis | 15 |  |
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|  |  |  |
| Total | 75 | 0 |