



FIN 685 Milestone One Guidelines and Rubric

The final project for this course is the creation of an analysis and recommendations paper that demonstrates what you have learned about risk management in a real-world context. You will research a publicly traded company of your choosing and analyze it as a potential investment opportunity.

Prompt: In this milestone, you will submit a draft of the Introduction section (I) and the Feasibility section (V) of the final project. You will introduce the company, its leadership, products, and services. Additionally, you will run a financial ratio analysis, which was introduced in Module Two. You will pick one ratio in each category of ratio and compare the results to an industry peer's ratios. You will then analyze the strengths and weaknesses of the company based on the ratio analysis.

Specifically, the following **critical elements** must be addressed:

- I. **Introduction:** Provide a brief overview of the company you have selected with regard to its potential as an investment opportunity. Be sure to include the following items in your overview:
 - a) What is the **size** of the company relative to other companies in the industry, both currently and historically?
 - b) What is the company's **leadership position** in its industry? In other words, is this company considered a leader or a follower? Be sure to defend your response.
 - c) What is the financial position and **profitability** of the company, both currently and historically?
 - d) Analyze the company's **major product lines**. How important are these major products in generating the company's revenues? What level of success have the products enjoyed in the marketplace? What is the implication of this on the feasibility of the company as a potential investment opportunity? Consider discussing the interrelationship among product lines, revenue, and investment potential, and be sure to defend your reasoning.
- V. **Feasibility** as an investment opportunity
 - a) Calculate **one** standard financial **ratio from each** of the broader categories of leverage, liquidity, operating, profitability, and solvency ratios for the company.
 - b) **Compare** the ratios you calculated for your company to those of its competitors/industry average, and identify discrepancies that you find. For example, an analysis of Coca Cola should include a comparison with PepsiCo, since these two companies are similar in size and scope.
 - c) Analyze the ratio **discrepancies** between your selected company and its competitors, and explain why you feel these discrepancies exist, as well as their impact on the company's potential as an investment opportunity. Be sure to defend your reasoning.
 - d) What do you feel are your selected company's **strengths** and **weaknesses** as a potential investment opportunity? What is it doing well? What do you feel are some areas in need of improvement? Be sure to defend your rationale.

Rubric

Guidelines for Submission: Your paper must be submitted as a 2- to 3-page Microsoft Word document with double spacing, 12-point Times New Roman font, one-inch margins, and at least 2 sources cited in APA format.

Critical Elements	Proficient (100%)	Needs Improvement (75%)	Not Evident (0%)	Value
Introduction: Size	Describes the size of the company relative to other companies in the industry, both currently and historically	Describes the size of the company relative to other companies in the industry, both currently and historically, but response is cursory or inaccurate	Does not describe the size of the company relative to other companies in the industry, both currently and historically	11
Introduction: Leadership Position	Assesses the company's leadership position in the industry and defends response	Assesses the company's leadership position in the industry, but response or defense is cursory, illogical, inaccurate, or weak	Does not assess the company's leadership position in the industry	11
Introduction: Profitability	Describes the company's financial position and profitability, both currently and historically	Describes the company's financial position and profitability, both currently and historically, but response is cursory, illogical, or inaccurate	Does not describe the company's financial position and profitability both currently and historically	11
Introduction: Major Product Lines	Analyzes the company's major product lines in terms of the company's feasibility as an investment opportunity and defends reasoning	Analyzes the company's major product lines in terms of the company's feasibility as an investment opportunity, but response or reasoning is cursory, illogical, or weakly defended	Does not analyze the company's major product lines in terms of the company's feasibility as an investment opportunity	11
Feasibility: One Ratio From Each	Accurately calculates standard financial ratios from each category for the company	Calculates standard financial ratios from each category for the company, but with gaps in accuracy or detail	Does not calculate standard financial ratios from each category	11
Feasibility: Compare	Compares calculated ratios for the company to those of its competitors/industry average and identifies discrepancies	Compares calculated ratios for the company to those of its competitors/industry average and identifies discrepancies, but with gaps in accuracy or detail	Does not compare ratios or does not identify discrepancies	11

Feasibility: Discrepancies	Analyzes ratio discrepancies between company and its competitors and explains why they exist and their impact on the company's potential as an investment opportunity and defends reasoning	Analyzes ratio discrepancies between company and its competitors, but response or reasoning is cursory or illogical	Does not analyze ratio discrepancies between company and its competitors	11
Feasibility: Strengths and Weaknesses	Analyzes selected company's strengths and weaknesses as a potential investment opportunity and defends rationale	Analyzes selected company's strengths and weaknesses as a potential investment opportunity, but response or defense is cursory or illogical	Does not analyze selected company's strengths and weaknesses as a potential investment opportunity	11
Articulation of Response	Submission has no major errors related to citations, grammar, spelling, syntax, or organization	Submission has multiple errors related to citations, grammar, spelling, syntax, or organization that negatively impact readability and articulation of main ideas	Submission has critical errors related to citations, grammar, spelling, syntax, or organization that prevent understanding of ideas	12
Earned Total				100%