



FIN 685 Case Study Two Guidelines and Rubric

Financial statements are important in the financial decision-making process. That balance sheet lists what a company owns and owes and is therefore used to establish a company's financial standing. The statement of cash flow is used to track the different cash inflows and outflows. In this case study, you will analyze the function of the balance sheet as well as the statement of cash flows of a real-world company.

Prompt: Locate an example of a statement of cash flow. You may use [Yahoo! Finance](#) to help you in locating an example. Type in the name of a company in the search bar at the top of the page and click **Search Finance**. In the light blue menu bar on the left-hand side of the screen, locate **Financials**. Then click on the link to **Cash Flow** to download the statement.

Using the example statement of cash flow, discuss the details and the major components and activities of the statement of cash flows. Also, discuss how you would use the statement of cash flows in decision making.

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

- I. **Balance Sheet**
 - a) Interpret the function of the balance sheet in management's **decision-making process**.
 - b) Discuss how the balance sheet is **related to the income statement**.
- II. **Cash Flows**
 - a) Discuss the **major components** of the statement of cash flows.
 - b) Discuss the **major activities** of the statement of cash flows.
 - c) Discuss how you would use the statement of cash flows in **decision making**.

Rubric

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

Critical Elements	Exemplary (100%)	Proficient (90%)	Needs Improvement (70%)	Not Evident (0%)	Value
Balance Sheet: Decision-Making Process	Meets “Proficient” criteria and interpretation is comprehensive and references course readings or other academic sources	Interprets the function of the balance sheet in management’s decision-making process	Interprets the function of the balance sheet but lacks detail	Does not interpret the function of the balance sheet	18
Balance Sheet: Relation to Income Statement	Meets “Proficient” criteria and discussion is particularly comprehensive and references academic sources	Discusses the relation of the balance sheet to the income statement	Discusses the relation of the balance sheet to the income statement but lacks detail	Does not discuss the relation of the balance sheet to the income statement	18
Cash Flows: Major Components	Meets “Proficient” criteria and descriptions are particularly comprehensive	Names and describes the major components of a statement of cash flow	Names and describes major components but descriptions lack detail	Does not name or describe major components	18
Cash Flows: Major Activities	Meets “Proficient” criteria and descriptions are particularly comprehensive	Names and describes the major activities of a statement of cash flow	Names and describes major activities but descriptions lack detail	Does not name or describe major activities	18
Cash Flows: Use in Decision Making	Meets “Proficient” criteria and uses course readings to support discussion	Discusses the statement of cash flow’s use in decision making	Discusses use in decision making but discussion lacks detail	Does not discuss use in decision making	18
Articulation of Response	Submission is free of errors related to citations, grammar, spelling, syntax, and organization and is presented in a professional and easy to read format	Submission has no major errors related to citations, grammar, spelling, syntax, or organization	Submission has major 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	10
Earned Total					100%