
IT for Financial Decisions

Assignment 1

Financial Analysis

Value: 15% of the marks available for FIT5159

Type of Assignment: Individual Assignment

Overview:

You have recently joined a consulting firm and as part of your initial assignment, you are given 3 mini cases to work on.

Case 1: Edmonds Industries – An analysis of their financial statement, cash flow and taxes;

Case 2: Carlsbad Corporation – Ratio Analysis; ONLY THIS CASE

Case 3: Blue Sky Technologies – Capital Budgeting.

Data and requirements for the three cases are provided in the accompanying spreadsheet, FIT5159 Assignment 1.xlsx. Your first step is to examine the three cases and develop a spreadsheet model that will facilitate the analysis required for each of these companies.

Your boss has indicated that although this may be the initial list of companies, your spreadsheet model should be developed in such a way that it can easily be utilised for other companies should the need arise. As your boss has had nasty experiences when making decisions using spreadsheet models, she would also like to be able to understand the assumptions built into the model.

The Deliverables, Assessment Weight and Criteria:

- A spreadsheet model for each of the cases that satisfies the above requirements. (30%)
- Flexibility and ease of use of spreadsheet model for decision making. (20%)
- A short report addressing all the questions posed in each of the case and your recommendation where necessary. (50%)

Required:

- A short memorandum or cover letter to your boss briefly stating the 3 cases you are addressing in your report. You should also state any assumptions you made in the financial model. (NO executive summary is required.)
- The report should be in 3 sections corresponding to the 3 cases.
- The report should be in essay format and not a 'Q&A' write-up.
- Your report should be a maximum of up to 8 A4 pages with 1.5 spacing of 12 point Arial or Time New Roman font size.