**Finc 331 Group Project**

**Project Descriptions**

**Write a 8-10 page research paper on the selected companies below. The 8-10 pages do not include the title page, graphs or references. The paper must include an introduction or abstract and a summary conclusion.  (I will assign the group members to the groups.)**

**OPTION: Your group may select any two companies, who are competitors in the same industry. Please let me know in advance if you wish to select different companies than what is offered below.**

**Company Examples:**

* Coke and Pepsi
* Home Depot and Lowe's
* Costco and Sam's Club
* Giant and Albertson's
* CVS and Walgreens
* Regal and AMC
* HP and IBM
* (Any two public companies in the same industry)

**Instructors have the option to make this either an individual or group project assignment.**

**Project Assignment Using Coke and Pepsi as an Example:**

**Long time competitors in the soft drink industry, PepsiCo and Coca-Cola continue efforts to gain additional market share. Which do you prefer, Coke or Pepsi? Let’s take a look at these two companies from a financial perspective rather than our drink preference.**

**To learn more about PepsiCo and Coca-Cola Enterprises, download the latest PepsiCo 2014 Annual Report at:** [**https://www.pepsico.com/docs/album/default-document-library/pepsico-2014-annual-report\_final.pdf**](https://www.pepsico.com/docs/album/default-document-library/pepsico-2014-annual-report_final.pdf) **and the Coca-Cola 2014 Annual Report at http://ir.cokecce.com/phoenix.zhtml?c=117435&p=irol-reportsannual:. Review the annual reports for general information.**

**Required:**

**1. Read -Understanding the Income Statement at: http://www.investopedia.com/articles/04/022504.asp**

**2. Read -Reading the Balance Sheet at: http://www.investopedia.com/articles/04/031004.asp**

**3. Compute- the following financial ratios for both companies and provide as an appendix to the required paper. If you need help understanding the meaning of the ratios or how to they are computed, go to: http://www.investopedia.com/university/ratios/**

**Liquidity measurement ratio: · Current ratio**

**Profitability indicator ratios:· Return on assets · Return on equity**

**Debt ratio: · Debt ratio**

**Operating performance ratio: · Fixed asset turnover ratio**

**Cash flow indicator ratio: · Dividend payout ratio**

**Investment valuation ratio: · Price / Earnings ratio**

**For each company and comparing the two, you are to write a eight to ten (8-10) page report that answers the following:**

**1. Provide a short background on each company, the industry and the market (growing, declining, etc?) in which they operate. (This should be no more than 1- 1.5 pages for both companies in total and can be a part of your introduction.)**

**2. Using the current ratio and debt ratios, discuss what conclusions you can make about each company’s ability to pay current liabilities (debt). Support your conclusions. Which company is doing better, why or why not?**

**3. Using the profitability and operating performance ratios, discuss what conclusions you can make about each company’s profits over the past three years. Support your conclusions. Which company is doing better, why or why not?**

**4. Using the cash flow indicator and investment valuation ratios, discuss which company is more likely to have satisfied stockholders. Support your conclusions. Which company is doing better, why or why not?**

**5. As an investor, discuss which company you would choose to invest in and provide a rationale for your decision. Support your conclusions, why or why not?**

**6. After concluding your research about each company and reviewing their annual report, Discuss what non-financial criteria you would consider when choosing between these two investment options? Support your conclusions, why or why not?**

**The format of the report indicated below in “More on the Grading Criteria”.**

**NOTE: You will be graded on the quality of your answers, the logic/organization of the report, your language skills, and your writing skills.**

**Paper Grading Rubric**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Criterion** | **Poor****(Below 70)** | **Fair (70-79)** | **Good (80-89)** | **Excellent (90-100)** |
| **Comprehension****30%** | No understanding of the problem. | Little understanding of problem. | Considerable understanding of the problem.  All requirements of assignment are included. | Complete understanding of the problems.  All requirements are included in response. |
| **Organization and Structure****15%** | Information unorganized and not effectively structured.  Poor grammar.  Little or no evidence of preparation. | Information is somewhat organized.  Minimal or superficial preparation. | Information is well organized.  Adequate and reflective approach in preparation. | Information is logically and creatively organized.  Highly developed approach in preparation. |
| **Peer Review****20%** | Did not participated in the developing the research paper and selected topics | Somewhat participated in the developing the research paper and selected topics | Was an active participant in developing the paper, doing the deep research and working with peer members to drive completion of a well researched paper. | Led and drove the discussion, the coordination, the research for the paper and helped motivate other members of the group meet their deadlines. |
| **Content****35%** | Information is missing or inaccurate.  No insight is provided by the student.  | Content is not comprehensive.  Opinions are not well supported. | Content is accurate and opinions are stated and somewhat supported. | Content is accurate and shows acute insight. |

More on the GRADING CRITERIA

In addition to the grading rubric note above, the following is important information about this assignment:

1. WRITING QUALITY: Grammar, Verb Tenses, Pronoun Use, Spelling, Punctuation, and Writing Competency.

Remember: spell-check; then proof read. Better yet, have a friend or colleague read your completed document before submitting it for grading. When I have to submit a paper, I print it and then read it out loud to myself. It is amazing the number of errors discovered when I do this because there is simply no way we can catch all of the mistakes when we are trying to read from a computer screen. Also, when we read it out loud, we can also hear how well or how poorly it "reads" to another person. It should sound like a professional report, not like a casual conversation.

I have a few hang-ups about the following errors and you will be marked down for them: there is not their, your is not you're, its (possessive) is not it's (it is), too is not to or two, cite is not site or sight, and who should be used after an individual, not that. For example, "the person WHO made the speech" not "the person THAT made the speech."

 Also, in a professional paper, one does not use contractions (doesn't, don't, etc.) and one does not use the personal you or your. Therefore, use the impersonal as I have done in the sentence immediately above. It is more business-professional than saying, "Also in a professional paper you don't use contractions."

BEST Option: Submit your document to **UMGC’s Effective Writing Center (EWC)**.

2. REFERENCES

Part of the requirements for this research assignment is that you include a list of references used for your research. A minimum of three (3) sources must be included in this list of which a minimum of two (2) of these sources must come from the UMGC Online Library databases, other University research libraries and/or material included in this course.  **(EXCLUDING Wikipedia & the text book as references.  These may be used after meeting the minimum # of references.)**

The sources in your reference list must be written using APA formatting. There is a link to APA Tutorial in the “Course Content" area of our classroom. It is highly recommended you refer to this source as you prepare your research document.

3. WORD PROCESSING

Use Microsoft Word - any version or Openoffice Word processing (it's free). If you do not have either, contact me ASAP! If you send me a Microsoft Works document I will not be able to open it and I will return it ungraded! If you do not have Microsoft Word or Openoffice work processing, you can save your paper as a "rich text file" (.rtf) or pdf file.

I do not like to appear to be so strict about this; however, every term there is at least one student who does not read these instructions carefully and sends me an assignment that I cannot open.

Use 1" margins top, bottom, left and right sides.

Use Times New Roman, font size 12.

Use double spacing.

Important Note: For ease of reading, your document must contain appropriate headings and subheadings. Headings and sub-headings are a requirement of this research assignment. Headings and subheadings should be placed at the left margin. The use of headings and subheadings are a terrific way to help you organize your research paper.

NOTE:  The MS Word spelling and grammar checker is NOT an effective tool for finding spelling, punctuation and grammar errors. I suggest you use the **UMGC Effective Writing Center (EWC)** or someone you can trust to read your document prior to posting it for grading. You can expect to lose a significant number of points if your document contains numerous spelling, punctuation and grammar errors. This information can also be found as  “Term Paper Topics & Grading Rubric” found in the “Course Content” area of our classroom.

4. COVER PAGE

A cover page must be the first page of your document, not a separate attachment! In the center of the page, in this order, double-spaced, include the following information:

Your Name

FINC 331

Title of the Research Paper

Date

Nothing else needs to be added to the cover page.

5. REFERENCE LIST

A reference list must be included as the last page of your document. This list must comply with APA formatting requirements.

6.  PEER EVALUATION FORM-  Completed by each member of the Group.