

## Financial analysis assignment

1. Choose, please, any of the firms, listed below, for research or propose your variant of well-known international corporation. The chosen company must be manufacturing firm and should not belong to the field of financial services or be a bank or an auditing company. Corporations should not be repeated among students:

Tesla  
Microsoft  
Nestle  
Toyota  
Sony  
Oriflame  
L'oreal  
Avon  
Honda  
BMW  
Samsung  
.....

2. Download Annual report (Annual financial report) for 2022-2024 (or 2021-2023, if 2024 is not available yet) of chosen company. Examples of such report are in Informational system.

3. Find short information about history of foundation and development of the chosen company

4. Give the list of main trade marks (production) of the chosen firm

5. Where is the headquarter of the chosen company situated?

6. What is company's form of business organization?

7. What is the dynamics of prices for its shares during last years?

8. What is the currency of its financial reports?

9. According to the balance sheets, income statements, statements of cash flows and notes calculate basic financial indexes of chosen firm for last three years 2022-2024 (or 2021-2023, if 2024 is not available yet) :

Financial state indexes	Formula	Norm	2022	2023	2024
<b>1. property state:</b>					
1.1. coefficient of Tangible assets Depreciation , %  Net Fixed Assets (Tangible assets)= Gross Fixed Assets (Tangible assets)– Accumulated Depreciation  <u>OR</u>  Balance value = original value – depreciation	(Accumulated Depreciation / original value)*100%  Or  (Accumulated Depreciation / Gross Tangible assets)*100%	Decreasing			
1.2. coefficient of Tangible	Value of retired Tangible assets /				

assets retirement	original value at the beginning of the year				
1.3. coefficient of Tangible assets renewal	Value of arrived Tangible assets / original value at the end of the year	More than index 1.2			
<b>2. liquidity:</b>					
2.1. <u>Current Ratio</u>	Current assets/ Current liabilities	More than 1			
	(Current assets – inventories)/ Current liabilities;  Or  (Cash and marketable securities (cash equivalents)+ Short-term financial investments + Accounts receivable)/ Current liabilities	0,6-0,8			
2.2. Quick ratio					
2.3. cash (absolute) ratio	(Cash and marketable securities (cash equivalents)+ Short-term financial investments)/ Current liabilities	More than 0,2			
2.4. Net working capital	Current assets – Current liabilities;  Or  Equity + Long-term liabilities and provisions – Fixed assets	More than 0, increasing			
2.5. financing policy:	(Current assets - Current liabilities)/ Current assets	Increasing (conservative, moderate, aggressive)			
<b>3. financial stability :</b>					
3.1. Equity ratio (financial autonomy)	Equity / (Equity + liabilities)	More than 0,5			
3.3. coefficient of Equity mobility	Net working capital / Equity	More than 0, increasing			
<b>4. business activity:</b>					
4.1. assets outstanding	Net revenue / [(assets at the beginning of the year + assets at the end of the year)/2]	increasing			
4.2. Days Inventory	360 /	Decreasing			

Outstanding (or production cycle), days	$\frac{[\text{Cost of production sold} / \{(\text{Inventory at the beginning of the year} + \text{Inventory at the end of the year})/2\}]}{360}$				
4.3. Days Sales Outstanding, days	$\frac{360}{\frac{[\text{net revenue} / \{(\text{accounts receivable at the beginning of the year} + \text{accounts receivable at the end of the year})/2\}]}{360}}$	Decreasing			
4.4. operational cycle, days	$\frac{\text{Days Inventory Outstanding (or production cycle)} + \text{Days Sales Outstanding}}{360}$	Decreasing			
4.5. Days Payables Outstanding , days	$\frac{360}{\frac{[\text{Cost of production sold} / \{(\text{accounts payable at the beginning of the year} + \text{accounts payable at the end of the year})/2\}]}{360}}$	Decreasing			
4.6. Cash Conversion Cycle (or financial cycle), days	$\frac{\text{Days Inventory Outstanding (or production cycle)} + \text{Days Sales Outstanding} - \text{Days Payables Outstanding}}{360}$ Or $\text{operational cycle} - \text{Days Payables Outstanding}$	Decreasing/ increasing ( it depends)			
<b>5. profitability:</b>					
5.1. return on assets ROA	$\frac{\text{Net profit}}{\text{assets}} \times 100\%$	More than 0, increasing			
5.2. return on activity	$\frac{\text{net profit}}{\text{net revenue}} \times 100\%$	More than 0, increasing			
5.3. return on production cost	$\frac{\text{net profit}}{\text{cost of production}} \times 100\%$	More than 0, increasing			
5.4. return on equity ROE	$\frac{\text{net profit}}{\text{equity}} \times 100\%$	More than 0, increasing			
<b>6. Cash flows :</b>					
6.1. Net operating cash flow		+			
6.2. Net Cash		-			

flow from investing activities					
6.3. Net cash flow from financing activities		-			

10. Analyse the financial position of chosen firm, define its financial problems, disadvantages and weaknesses. Write your conclusions and propose ways to overcome revealed problems.
11. Results of Financial analysis assignment will be orally presented during seminars
12. Attach, please, Your Financial analysis assignment to Informational system