

FIN 330 Final Project I Guidelines and Rubric

Overview

Corporate financial managers must have a business-wide perspective to successfully navigate the corporate environment. The skills you will develop in this course will support you in your future business career and set the foundation for the concepts that will be covered in the next course, Multinational Corporate Finance. Your final project for FIN 330 will allow you to showcase your mastery of the varied skills a finance professional must obtain: It will require you to analyze a real-world corporation from a quantitative perspective while also investigating the challenges and decisions a manager must face.

To accomplish this, your final assessment will be broken up into two separate but related projects. The first, a corporate valuation report, will focus on a U.S. corporation of your choice. You will analyze the historical financials of your chosen corporation using the provided Excel template, and estimate the value of your corporation in a brief report.

The second final project is a risk management and ethical analysis that will focus on the same corporation, highlighting the management and leadership considerations and decisions required of top-level financial managers. In this written report, you will discuss ethics, corporate social responsibility, and the challenges related to attaining short-term and long-term goals.

Combined, these two projects will assess your knowledge regarding the quantitative and qualitative concepts of corporate finance and leadership.

The first final project is divided into **two milestones**, which will be submitted at various points throughout the course to scaffold learning and ensure quality final submissions. These milestones will be submitted in **Modules Two and Five**. The final corporate valuation report is due in **Module Seven**, and the final risk management and ethical analysis is due in **Module Eight**.

In this assignment, you will demonstrate your mastery of the following course outcomes:

- Estimate the value of corporations based on quantitative and qualitative analysis of financial history, industry trends, and projections of future performance
- Analyze the relationships between capital structure, risk, and cost of capital for informing financial decisions that can optimize the value of corporations
- Analyze challenges financial managers face regarding short-term and long-term planning for informing decision making

Prompt

Your corporate valuation report should analyze your chosen corporation and estimate its overall value.

Throughout this assignment, you will use a [provided Excel template](#). To complete this assignment, you will submit both a written paper and the completed Excel template with the “Financial History,” “Capital Structure,” and “Valuation” tabs filled in.

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

- I. **Overview:** This section of your report will be devoted to providing a thorough overview of the background of the corporation you selected and setting the foundation for your later discussion of the challenges financial managers face. Specifically, you must address the following:
 - A. Describe the **market** to which your corporation belongs, identifying the products or services your corporation sells and the share of the market it has.
 - B. Describe the **customer** base of your corporation and the top competitors for this customer base. Be sure to consider what motivates the customers and the challenges the organization faces in retaining the customer base.
 - C. Describe the key inputs (and sources of those inputs) used to create the products or services, as well as the key **resources** for corporate operation (such as staff, facilities, technologies, etc.) and the extent to which attaining all these resources presents a challenge to the particular organization.
 - D. Analyze key market **trends** and issues within the industry for potential risks to the organization.

- II. **Financial History:** The next section of your report should focus on the financial history and capital structure of your organization.
 - A. Quantitatively analyze three years' worth of the corporation's finances using the provided **Excel** template. You will submit this template along with your report, and may embed pieces of the Excel template into your report to show key financial highlights in the following critical element.
 - B. Summarize the financial **highlights** you determined from the analysis in the Excel template, explaining the significance of the key ratios for the overall financial health of the organization.

- III. **Capital Structure:** In the third section of your report, discuss the capital structure of the corporation.
 - A. Outline the most recent year's debt, equity, and total capital using the provided template to show the **overall** capital structure of the corporation.
 - B. Articulate the corporation's **dividend policy** and what impact it has on the investors.
 - C. Analyze the **relationship** between capital structure, cost of capital, and risk, using examples from your chosen organization.
 - D. Explain how the relationship between capital structure, cost of capital, and risk can help inform decision making and **maximize** corporate **value**.

- IV. **Valuation:** The final section of your report will focus on calculating current value, outlining assumptions, and estimating the future value of the corporation through forecasting the cash flows. Specifically, respond to the following:
 - A. Calculate the **current** market **value** of equity for your corporation, using the three-year history and provided Excel template, and explain what it means for the corporation.
 - B. Outline any **assumptions** you have made in calculating the current value and estimating the future value of the corporation, explaining why you made them and why they are important. (Hint: Assumptions can include growth rates, margins, trends, etc.)
 - C. **Estimate** the current value of your corporation by forecasting the cash flows over 10 years using the provided Excel template, and explain your findings. Calculate EVA, NPV, IRR and MIRR using discount rates of 5% (low risk), 10% (medium risk), and 18% (high risk).

Milestones

Milestone One: Overview and Financial History

In **Module Two**, you will submit Milestone One, which provides you an opportunity to work on the overview and financial history sections of your Final Project I: Corporate Valuation. As part of this assignment, you will also complete specific elements of the provided excel template. **This milestone will be graded with the Final Project I Milestone One Rubric.**

Milestone Two: Capital Structure and Valuation

In **Module Five**, you will submit Milestone Two, which provides you an opportunity to work on the capital structure and valuation sections of your Final Project I: Corporate Valuation. As part of this assignment, you will also complete specific elements of the provided excel template. **This milestone will be graded with the Final Project I Milestone Two Rubric.**

Final Submission: Corporate Valuation Report

In **Module Seven**, you will submit your Final Project I: Corporate Valuation Report. It should be a complete, polished artifact containing all of the critical elements of the final product. It should reflect the incorporation of feedback gained throughout the course on your milestone assignments. **This submission will be graded with the Final Project I Rubric.**

Final Project I Rubric

Guidelines for Submission: Your corporate valuation report should be 6–9 pages in length, double spaced, with 12-point Times New Roman font, one-inch margins, and APA formatting. Along with your corporate valuation report, you will submit your complete Excel template as a separate file. You may use pieces of your Excel template as images within your report, but you must still submit the completed Excel template with your final report submission.

Instructor Feedback: This activity uses an integrated rubric in Blackboard. Students can view instructor feedback in the Grade Center. For more information, review [these instructions](#).

Critical Elements	Exemplary	Proficient	Needs Improvement	Not Evident	Value
Overview: Market	Meets “Proficient” criteria, and description demonstrates deep insight into the corporation’s place in the market (100%)	Accurately describes the market, products or services, and portion of the market held by the chosen corporation (85%)	Describes the market, products or services, and portion of the market held by the chosen corporation, but lacks accuracy or necessary detail (55%)	Does not describe the market, products or services, and portion of the market held by the chosen corporation (0%)	4
Overview: Customer	Meets “Proficient” criteria and makes cogent connections between customer base and competitors (100%)	Accurately describes the customer base and the corporation’s top competitors for those customers (85%)	Describes the customer base and the corporation’s top competitors for those customers, but lacks accuracy or detail (55%)	Does not describe the customer base and the corporation’s top competitors (0%)	5

Overview: Resources	Meets “Proficient” criteria and shows keen insight into the varied resources required for corporate operation (100%)	Accurately describes the key inputs and resources the corporation needs (85%)	Describes the key inputs and resources the corporation needs but lacks accuracy or detail (55%)	Does not describe inputs and resources the corporation needs (0%)	5
Overview: Trends	Meets “Proficient” criteria and shows keen insight into corporate risks associated with market-wide trends and issues (100%)	Critically analyzes the market for key trends and issues that may pose risks for the corporation (85%)	Analyzes the market for key trends and issues but lacks detail, logic, or focus on issues that may pose risks for the corporation (55%)	Does not analyze the market for trends and issues (0%)	4
Financial History: Excel		Correctly analyzes three years of corporate financial statements using the provided Excel template (100%)	Analyzes three years of corporate financial statements using the provided Excel template, but analysis contains miscalculations or is incomplete (55%)	Does not analyze three years of corporate financial statements using the provided Excel template (0%)	7.7
Financial History: Highlights	Meets “Proficient” criteria and shows keen insight into the significance of specific financial calculations for determining financial health (100%)	Accurately summarizes the financial highlights determined from the Excel analysis of the corporate financial statements, citing key ratios that give a picture of the overall financial health (85%)	Summarizes the financial highlights determined from the Excel analysis of the corporate financial statements but lacks accuracy or details regarding key ratios that give a picture of the overall financial health (55%)	Does not summarize the financial highlights determined from the Excel analysis (0%)	7.7
Capital Structure: Overall	Meets “Proficient” criteria, and outline shows mastery of determining a corporation’s capital structure from financials (100%)	Accurately outlines the most recent year’s debt, equity, and total capital using the provided template to show the overall capital structure of the corporation (85%)	Outlines the most recent year’s debt, equity, and total capital using the provided template, but with gaps in accuracy (55%)	Does not outline the most recent year’s debt, equity, and total capital using the provided template (0%)	9.6
Capital Structure: Dividend Policy	Meets “Proficient” criteria and makes cogent connections between dividend policy and investor impact (100%)	Accurately articulates the corporation’s dividend policy and the impact it has on investors (85%)	Articulates the corporation’s dividend policy and its impact on investors, but does so inaccurately or with gaps in details (55%)	Does not articulate the corporation’s dividend policy and its impact on investors (0%)	9.6

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Capital Structure: Relationship	Meets “Proficient” criteria and makes cogent connections between capital structure, cost of capital, and corporate risk (100%)	Accurately analyzes the relationship between capital structure, cost of capital, and risk, using examples to highlight claims (85%)	Analyzes the relationship between capital structure, cost of capital, and risk, but lacks accuracy or does not use examples that highlight claims (55%)	Does not analyze the relationship between capital structure, cost of capital, and risk (0%)	9.65
Capital Structure: Maximize Value	Meets “Proficient” criteria and shows keen insight into using knowledge of the relationship between cost of capital, capital structure, and risk to maximize corporate value (100%)	Accurately explains how the relationship between capital structure, cost of capital, and risk should inform corporate decision making and maximize corporate value (85%)	Explains how the relationship between capital structure, cost of capital, and risk should inform corporate decision making and maximize corporate value, but lacks accuracy or necessary detail (55%)	Does not explain how the relationship between capital structure, cost of capital, and risk should inform corporate decision making and maximize corporate value (0%)	9.65
Valuation: Current Value	Meets “Proficient” criteria and shows mastery of determining current corporate market value (100%)	Accurately calculates the current market value of the chosen corporation using the three-year history and provided Excel template, explaining findings in the report (85%)	Calculates the current market value of the chosen corporation using the three-year history and provided Excel template, explaining findings in the report, but lacks accuracy in calculations or lacks detail in explanation of findings (55%)	Does not calculate the current market value of the corporation or does not explain findings in the report (0%)	7.7
Valuation: Assumptions	Meets “Proficient” criteria and shows keen insight into the role of assumptions in corporate valuation (100%)	Clearly outlines reasonable assumptions, explaining why the assumptions were made and why they matter (85%)	Outlines assumptions, explaining why the assumptions were made and why they matter, but with gaps in clarity or reason (55%)	Does not outline assumptions or explain why they were made and why they matter (0%)	7.7
Valuation: Estimate	Meets “Proficient” criteria and shows advanced grasp of future valuation (100%)	Logically estimates the current value of the corporation through 10-year cash flow forecasting using the provided Excel template (85%)	Estimates the current value of the corporation through 10-year cash flow forecasting using the provided Excel template, but with gaps in logic or accuracy of calculations (55%)	Does not estimate the current value of the corporation through 10-year cash-flow forecasting using the Excel template (0%)	7.7

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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 (100%)	Submission has no major errors related to citations, grammar, spelling, syntax, or organization (85%)	Submission has major errors related to citations, grammar, spelling, syntax, or organization that negatively impact readability and articulation of main ideas (55%)	Submission has critical errors related to citations, grammar, spelling, syntax, or organization that prevent understanding of ideas (0%)	5
Total					100%