

### MBA 503 Milestone One Guidelines and Rubric

For this assignment, due in Module Four, you will submit both a horizontal and vertical analysis of Starbucks' **accounts receivable, fixed assets, and debt financing**. Use basic financial analysis to examine any horizontal and any vertical changes in Starbucks' accounts receivable, fixed assets, and debt financing balances over time. Be sure also to discuss how Starbucks' methods for accounting for receivables and evaluating uncollectible receivables, purchase of fixed assets, and methods of debt financing impact the recording process and presentation of financial statements (Critical Element II). In other words, what are this company's methods for accounting for receivables and evaluating uncollectible receivables? What types of fixed assets are acquired, and what methods are preferred for debt financing? How do those affect how financial information is communicated?

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

- II. **Horizontal and Vertical Analysis:** In this section, you will conduct horizontal and vertical analyses for the balance sheet and income statement accounts and report any significant observations for a two-year period. You should include a table of your calculations as an appendix to your analysis. Include all calculations in an Excel document. Specifically discuss the following categories:
  - A. **Accounts Receivable:**
    - 1. Use basic financial analysis to examine any **horizontal** changes in Starbucks' accounts receivable balances over time.
    - 2. Use basic financial analysis to examine any **vertical** changes in Starbucks' accounts receivable balances over time.
    - 3. Analyze how Starbucks' **methods** for accounting for receivables and evaluating uncollectible receivables impact the recording process and presentation of financial statements. In other words, what are this company's methods for accounting for receivables and evaluating uncollectible receivables, and how do those affect how financial information is communicated?
  - B. **Asset Acquisition, Depreciation, and Amortization:**
    - 1. Use basic financial analysis to examine any **horizontal** changes in Starbucks' fixed assets, intangible assets, depreciation, and amortization over time.
    - 2. Use basic financial analysis to examine any **vertical** changes in Starbucks' fixed assets, intangible assets, depreciation, and amortization over time.
    - 3. Analyze Starbucks' **methods** for fixed asset and intangible asset acquisitions as well as depreciation and amortization, including asset categorization. How do these methods affect the balance sheet, income statement, and statement of cash flows?
  - C. **Debt Financing**
    - 1. Use basic financial analysis to examine any **horizontal** changes in Starbucks' short- and long-term debt over time.
    - 2. Use basic financial analysis to examine any **vertical** changes in Starbucks' short- and long-term debt over time.
    - 3. Analyze Starbucks' **method** of debt financing. In your analysis, you should address both current and long-term liabilities, including the issuance of bonds.

### Rubric

**Guidelines for Submission:** Milestone One should adhere to the following formatting requirements: 2–3 pages (not including cover page or appendix), double-spaced, using 12-point Times New Roman font and the most current guidelines for APA formatting. Include all calculations in an Excel document.

**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	Proficient (100%)	Needs Improvement (75%)	Not Evident (0%)	Value
<b>Analysis: Accounts: Horizontal</b>	Uses basic financial analysis to examine any horizontal changes in Starbucks' accounts receivable balances over time	Uses basic financial analysis to examine any horizontal changes in Starbucks' accounts receivable balances over time, but with gaps in accuracy or relevant detail	Does not use basic financial analysis to examine any horizontal changes in Starbucks' accounts receivable balances over time	10
<b>Analysis: Accounts: Vertical</b>	Uses basic financial analysis to examine any vertical changes in Starbucks' accounts receivable balances over time	Uses basic financial analysis to examine any vertical changes in Starbucks' accounts receivable balances over time, but with gaps in accuracy or relevant detail	Does not use basic financial analysis to examine any vertical changes in Starbucks' accounts receivable balances over time	10
<b>Analysis: Accounts: Methods</b>	Analyzes how Starbucks' methods for accounting for receivables and evaluating uncollectible receivables impact the recording process and financial statement presentation	Analyzes how Starbucks' methods for accounting for receivables and evaluating uncollectible receivables impact the recording process and financial statement presentation, but with gaps in logic or detail	Does not analyze how Starbucks' methods for accounting for receivables and evaluating uncollectible receivables impact the recording process and financial statement presentation	10
<b>Analysis: Asset: Horizontal</b>	Uses basic financial analysis to examine any horizontal changes in Starbucks' fixed assets, intangible assets, depreciation, and amortization over time	Uses basic financial analysis to examine any horizontal changes in Starbucks' fixed assets, intangible assets, depreciation, and amortization over time, but with gaps in accuracy or relevant detail	Does not use basic financial analysis to examine any horizontal changes in Starbucks' fixed assets, intangible assets, depreciation, and amortization over time	10
<b>Analysis: Asset: Vertical</b>	Uses basic financial analysis to examine any vertical changes in Starbucks' fixed assets, intangible assets, depreciation, and amortization over time	Uses basic financial analysis to examine any vertical changes in Starbucks' fixed assets, intangible assets, depreciation, and amortization over time, but with gaps in accuracy or relevant detail	Does not use basic financial analysis to examine any vertical changes in Starbucks' fixed assets, intangible assets, depreciation, and amortization over time	10

<b>Analysis: Asset: Methods</b>	Analyzes Starbucks' methods for fixed asset and intangible asset acquisitions as well as depreciation and amortization for how they affect the balance sheet, income statement, and statement of cash flows	Analyzes Starbucks' methods for fixed asset and intangible asset acquisitions as well as depreciation and amortization for how they affect the balance sheet, income statement, and statement of cash flows, but with gaps in logic or detail	Does not analyze Starbucks' methods for fixed asset and intangible asset acquisitions as well as depreciation and amortization for how they affect the balance sheet, income statement, and statement of cash flows	10
<b>Analysis: Debt: Horizontal</b>	Uses basic financial analysis to examine any horizontal changes in Starbucks' short- and long-term debt over time	Uses basic financial analysis to examine any horizontal changes in Starbucks' short- and long-term debt over time, but with gaps in accuracy or relevant detail	Does not use basic financial analysis to examine any horizontal changes in Starbucks' short- and long-term debt over time	10
<b>Analysis: Debt: Vertical</b>	Uses basic financial analysis to examine any vertical changes in Starbucks' short- and long-term debt over time	Uses basic financial analysis to examine any vertical changes in Starbucks' short- and long-term debt over time, but with gaps in accuracy or relevant detail	Does not use basic financial analysis to examine any vertical changes in Starbucks' short- and long-term debt over time	10
<b>Analysis: Debt: Method</b>	Analyzes Starbucks' method of debt financing, addressing current and long-term liabilities and the issuance of bonds	Analyzes Starbucks' method of debt financing, addressing current and long-term liabilities and the issuance of bonds, but with gaps in logic or detail	Does not analyze Starbucks' method of debt financing, addressing current and long-term liabilities and the issuance of bonds	10
<b>Articulation of Response</b>	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 idea	Submission has critical errors related to citations, grammar, spelling, syntax, or organization that prevent understanding of ideas	10
<b>Total</b>				<b>100%</b>