

(150) Financial Analyst Team (S | PS)

Description

The team will use analytical and problem-solving skills to make recommendations regarding a business case study. At state and national level, teams will be presented with an additional element to the scenario that requires revision of their final presentation.

Eligibility

Any Secondary or Post-secondary division student member may enter this team event. A team will consist of 2-4 members. At least one (1) member should have an accounting background. Members participating in national level competition must be registered for the event prior to submission deadline for technical judging. Teams must participate in both parts of the competition in order to be ranked.

Team must supply

- Pencils or pens
- Computer (optional)
- Presentation device (optional)
- Projection equipment (optional)
- Prepared posters (optional)
- Graphs (optional)
- Easel (optional)
- Poster board and/or flipcharts and markers (optional)

Business Professionals of America assumes no responsibility for hardware/software provided by the team. No equipment, supplies, or materials other than those specified for an event will be allowed in the testing area. No previous Business Professionals of America tests and/or sample tests or facsimiles thereof (handwritten, photocopied, or keyed) may be taken into the testing area. Violation of this rule will result in disqualification.

Competencies

- Apply generally accepted accounting principles (GAAP) to determine the value of assets, liabilities, and owner's equity
- Prepare, interpret, and analyze financial statements for service, merchandising, and manufacturing businesses
- Use planning and control principles to evaluate the performance of an organization and apply differential analysis and present-value concepts to make decisions.
- Analyze factors that affect the choice of credit, the cost of credit, and the legal aspects of using credit
- Communicate in a clear, courteous, concise, and professional manner
- Analyze comparative financial statements using ratio analysis
- Prepare and analyze budgets
- Perform short and long-term forecasting
- Identify risks that affect business decisions
- Analyze and interpret financial data using common statistical procedures
- Enter and edit data using spreadsheet software
- Present findings in a formal presentation using supporting materials

Specifications

- It is the policy of Business Professionals of America to comply with state and federal copyright law. Federal law pertaining to copyright, as contained within the United States Code, is available at <https://www.copyright.gov/title17/title17.pdf>. The *Style & Reference Manual* contains guidelines for Copyright and Fair Use. Participant(s) will be *disqualified* for violations of the guidelines.
- All materials other than the required submission may *not* be left with judges.
- Team will present before a panel of judges and timekeeper. No audience will be allowed.
- No advisor contact will be allowed between the time of receiving the topic and the delivery of the presentation.
- Cell phones may *not* be used in the preparation room.

Initial Case Study Topic:

GoGo Corp. is a popular fashion retailer with 733 locations in North America at the beginning of 2020, as well as an online presence in the US. GoGo's corporate model is based on providing sustainable fashion at an affordable price. GoGo sells clothing and accessories for women, men, and children with a focus on diversity. The company has three strategic focus areas: to provide the customer with products that are unique, diverse, and sustainable; to be accessible to customers through both the design of their physical stores and the online experience; and corporate growth and expansion.

In 2019, GoGo made a commitment to only partner with suppliers who have demonstrated that they are supportive of healthy workplaces and healthy ecosystems (including such aspects as health and safety, discrimination, diversity and equality, fair living wages and benefits, working hours, child labor and young workers, as well as prison and illegal labor). GoGo also publicly stated their goal to use 100% recycled products or sustainably produced materials by 2040. The vision of the GoGo group is to lead the change towards circular and climate positive fashion while being a fair and equal company. Although sustainably resourced materials are more expensive, GoGo corporate management has believed that customers will reward companies with a strong commitment to environmental and social change.

The first quarter of 2020 started strong, with Quarter 1 net sales increasing by five percent compared with the same quarter of the previous year. However, the COVID-19 pandemic took a toll on the company's bottom line. Georgiana Gregory, the founder and CEO, has stated that "the company's quick and decisive measures, combined with wise and loyal customers, has led to better recovery than was expected." During 2020, online sales increased by 38 percent, and represented 28 percent of total sales for the year. Meanwhile, GoGo chose to permanently close eleven stores. GoGo was able to effectively reduce their selling and administrative expenses during 2020, largely through renegotiation of rental agreements. One quarter of the company's leases are eligible to be renegotiated each year. Women's clothing has traditionally accounted for 73 percent of all sales, with children's clothing accounting for 14 percent and men's clothing the remainder. During 2020, sales of men's clothing declined by 16 percent, while sales of women's clothing declined by 11 percent and children's clothing by six percent.

Despite the pandemic, GoGo was able to turn a profit in 2020. However, they are concerned about their financial future. The GoGo team would like you to prepare the appropriate financial statements and financial ratios, analyze their current financial situation, make projections regarding GoGo's future given the current economic situation, and make recommendations to improve their corporate viability.

GoGo Corp.					
Trial Balance					
As of December 31					
(in millions)					
	2020	2019	2018	2017	2016
Cash	2,892	159	734	3,291	1,440
Accounts Receivable	455	1,075	1,053	636	682
Inventory	5,632	8,048	7,238	4,045	4,435
Prepaid Expenses	507	542	480	332	289
Other Receivables	353	317	267	225	354
Buildings & Land (net)	110	149	138	99	119
Equipment & Store Fixtures	4,554	7,328	6,925	4,678	5,289
Notes Receivable (due in 10 years)	134	167	147	125	142
Accounts Payable	1,402	1,433	1,132	866	1,015
Accrued Expenses	2,930	4,702	3,856	2,285	2,355
Notes Payable (due in next year)	1,164	1,289	1,546	1,169	289
Other Current Liabilities	292	818	632	441	704
Pensions	90	93	74	53	74
Notes Payable	1,243	1,947	1,746	42	30
Common Stock	29	29	29	29	29
Dividends	171	2,951	2,686	1,958	2,266
Retained Earnings (January 1)					7,915
Sales	27,567	42,554	35,018	27,807	26,874
Cost of Goods Sold	13,779	20,166	16,562	12,779	12,033
Selling Expenses	8,648	15,752	13,088	10,097	9,608
Administrative Expenses	1,145	1,444	1,179	891	840
Depreciation Expense	3,538	2,020	1,610	1,180	1,063
Interest Revenue	37	69	49	39	31
Interest Expense	191	61	24	6	1
Income Taxes	119	722	497	643	755

A team will be *disqualified* for violations of the [Copyright and Fair Use Guidelines](#).

Teams who do *not* submit an entry that follows this topic will be *disqualified*.

Method of evaluation

Judge's Scoring Rubric

Length of event

No more than five (5) minutes proctor orientation for state and national levels

No more than thirty (30) minutes preparation time for state and national levels

No more than three (3) minutes set-up in presentation room

No more than ten (10) minutes presentation time

No more than ten (10) minutes judges' questions

Finals may be required at state and national levels

Equipment/supplies provided

Case problem

Preparation room

If desired, team may bring one (1) laptop/notebook computer, portable printer, projection equipment, software, and paper (must bring all or none) for use in the preparation room. Electrical power will be provided. Carry-in and set-up of equipment must be done solely by the team and must take place within the time allowed for orientation/warm-up.

Contest presentation

Team may use one (1) laptop/notebook computer, projection equipment, posters, flip charts, or graphs for presentation. Those who want to use computer/projection equipment for presentation *must* provide their own equipment. Carry-in and set-up of equipment must be done solely by the team and take place within the time allotted.

Entries

Each state is allowed two (2) entries

Teams in all judged events who wish to receive judges' comments must submit a self-addressed, stamped envelope to the event judges before judging takes place.

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Judge Number _____

Team Number _____

Presentation Scoring Rubric

Team Violated the Copyright and/or Fair Use Guidelines	<input type="checkbox"/> Yes <i>(Disqualification)</i>	<input type="checkbox"/> No
If yes, please stop scoring and provide a brief reason for the <i>disqualification</i> below:		
Team followed topic	<input type="checkbox"/> Yes	<input type="checkbox"/> No <i>(Disqualification)</i>

Items to Evaluate	Below Average	Average	Good	Excellent	Points Awarded
Oral presentation <i>Opening and summary</i>	1-5	6-10	11-15	16-20	
Organization of content <i>(Presentation flowed in a logical sequence)</i>	1-5	6-10	11-15	16-20	
Demonstrated knowledge of financial concepts	1-5	6-10	11-15	16-20	
Analysis of data	1-5	6-10	11-15	16-20	
Solution to problem	1-5	6-10	11-15	16-20	
Team addressed additional information that was given on-site*	1-5	6-10	11-15	16-20	
Answers to judges' questions	1-5	6-10	11-15	16-20	
TOTAL PRESENTATION POINTS (140 points maximum)					

***Note:** this item will only be evaluated at the state and national level competition; modification scenario is *not* provided at the regional level.

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Specification Scoring Rubric

SPECIFICATION POINTS: All points or none per item are awarded by the proctor per team, <i>not</i> per judge.	Possible Points	Points Awarded
Set-up lasted no longer than three (3) minutes – 5 points Presentation lasted no longer than ten (10) minutes – 5 points	10	
All registered team members participated in the presentation	10	
TOTAL SPECIFICATION POINTS (20 points maximum)		

TOTAL MAXIMUM POINTS = 160

PRESENTATION WILL BE STOPPED AT TEN MINUTES