



# FINANCIAL STATEMENT ANALYSIS

The **Financial Statement Analysis** event involves a team of 2 students analyzing a real-world case situation and corresponding financial statements, then presenting solutions to a judge with experience in finance and/or business.

## \$ FINANCE

### EVENT OVERVIEW

The following guidelines will be applied to international competition. Guidelines for competitions held at other levels (i.e., district, association) may vary.

Students are given a written description of a case study situation that measures skills, knowledge and attitudes involving the analysis of financial statements. Each student studies the situation, develops ideas/solutions, then presents to a judge. The role of the students and of the judges will be determined by the specific case study situation.

Each case study has a unique evaluation form (rubric) that measures performance indicators specific to the case study situation, as well as standard items related to 21st Century Skills. The judge will score each presentation based on a possible 100 points.

International preliminary round competition includes one case study presentation that is scored by the judge. Teams will be ranked by section and a predetermined number of teams will be named finalists. Finalists will be given a second case study situation. This second case study score will again be double-weighted and combined with the initial exam score to determine final rankings.

### LEARNING OUTCOMES

Through the analysis of the case situation and the presentation of ideas to the judge, the students will develop or reinforce the following areas in relation to financial activities:

- Analyzing business and financial situations, organizing thoughts and identifying solutions as a team
- Demonstrating knowledge/understanding of customer/client needs
- Developing a complete plan of action
- Organizing and communicating ideas and concepts effectively
- Accomplishing objectives as a team

### 21<sup>st</sup> CENTURY SKILLS

Students will also develop many 21<sup>st</sup> Century Skills, in the following categories, desired by today's employers:

- Communication and Collaboration
- Creativity and Innovation
- Critical Thinking and Problem Solving
- Flexibility and Adaptability
- Information Literacy
- Initiative and Self-direction
- Leadership and Responsibility
- Media Literacy
- Productivity and Accountability
- Social and Cross-cultural Skills

## PRESENTATION GUIDELINES

- The team will be given a **financial analysis case situation** and corresponding financial statements.
- Each team will have **1 hour** for analyzing the situation and preparing their presentation.
- Team members may not consult anyone about the financial analysis situation other than official team members. Any cell phone use, text messaging, email, etc. is prohibited during the entire competitive event.
- A personal or laptop computer/hand-held digital organizer may be used when appropriate. Students must use battery power for the prep time and presentation, even if there are electrical outlets in the room. Such digital organizers may be prepared ahead of time (i.e., standard headings for a PowerPoint presentation) provided there is no reference to the specific case situation.
- Students may bring materials to develop visual aids to assist them in their presentation. The supplies may consist of poster paper, flip charts, blank paper, art supplies, etc. Such visual aids may be prepared ahead of time (i.e., standard headings on a flip chart) provided there is no reference to the specific case situation.
- Students are allowed to bring reference materials to use in preparing their presentation. This may include electronic (such as CD encyclopedias) as well as print materials (such as magazines or textbooks).
- Only materials that can be easily carried to and from the prep and judging areas will be permitted (includes any computer equipment, visual aids, reference materials, etc.). Only the students themselves may handle and set up their material. No outside assistance will be allowed.
- Students may utilize the Internet during both prep and presentation times. The availability of Internet service is the responsibility of the students.
- No specified set-up time will be allowed. All set up will be part of the allotted presentation time. Timing will begin when the students enter the judging area (i.e., judge booth).
- Materials appropriate for the situation may be handed to or left with the judge. Materials handed to the judge must be created using materials allowed during the designated preparation period.
- Students will interact with the judges for up to **15 minutes**. This includes time for the students to present their pattern of thought and reason for their decisions/recommendations and to answer the judge's questions.
- When using a presentation aid, such as a laptop computer, the noise level must be kept at a conversational level that does not interrupt other students. If this guideline is not followed, the students will be interrupted (during the prep or presentation time) and asked to follow the noise policy.
- Competitors are also responsible for following the information provided in the General Rules and Regulations for competition found on page 3.
- All materials, equipment, supplies, etc. must be provided by the students. DECA assumes no responsibility for damage/loss of materials, equipment, supplies, etc.

Failure to follow guidelines may result in disqualification.

## PRESENTATION SCHEDULE

1 hour for students to analyze the situation and prepare the presentation (prep time)

15 minutes for the team's presentation and questions by the judges

5 minutes for the judge to score



2 STUDENTS



1 CASE STUDY



PREPARATION  
TIME



PRESENTATION  
TIME

# JUDGE INSTRUCTIONS

The Financial Statement Analysis event was created by Collegiate DECA in response to the career opportunities available for college graduates in the financial services field.

A team of students with career interests in finance will analyze a case situation and corresponding financial statements. The team will make decisions/recommendations regarding the situation and make a presentation to you, the judge. This case situation is presented in written form.

The students will assume the role of financial experts for the business represented by the situation. The solution will be presented to you as you act as an executive from the business.

## JUDGING THE PRESENTATION

- To ensure fairness, at no time should a student be asked where he/she is from (school, state, country, etc.).
- Students will be evaluated according to a specific evaluation form with the case study.
- Students will be scheduled for presentations at 20-minute intervals. Remember, you are a decision-maker in an organization with a financial analysis situation to solve. Your exact role will be determined by the specific case situation.
- Please place the students' names and identification numbers (using labels if provided) on the bubble score sheet as instructed (if not already done). If a bubble sheet has not been provided, this information must be placed on the evaluation form for this event.
- You will interact with the student for up to 15 minutes. This includes time for the students to present to you based on the case study situation, and for you to make comments and ask questions.
- To ensure fairness, judges should develop 2 to 3 standard questions, based on the specific case, which will be asked of each team. (In developing the questions please consider that the students have to respond spontaneously.) After asking the standard questions you may ask other questions for clarification specific to the current team.
- Following the 15 minute interaction period, please thank the students but give no indication of their performance/score. If appropriate to the situation, please state that a decision will be made soon and that the students will be notified of the decision.
- During the last 5 minutes, after the students are excused from the judging area, you may score the team. Refer to the Evaluation Criteria section for guidelines. On the bubble sheet provided, please bubble in the appropriate score and write the score on the corresponding line to verify accuracy. Please make sure not to exceed the maximum score possible for each item.

Please make sure to score all categories, add them for the total score, then initial the total score. The maximum score for the evaluation is 100 points.

**Note:** If a bubble sheet is not provided, indicate your scores on the evaluation form.

## PRESENTATION SCHEDULE

15 minutes for presentation of the decisions/recommendations by the team and questions by the judges

5 minutes for scoring by the judges

## JUDGING SUMMARY

Maximum score is 100 points. A score of 70 or better will earn the students a Certificate of Excellence.

We hope you are impressed by the quality of work from these students with a career interest in finance. If you have any suggestions for improving this event, please mention them to your event manager.

## EVALUATION CRITERIA

A score under the heading **Exceeds Expectations** in any category means that, in your opinion, the presentation/interaction is handled in an effective, creative way; in effect, nothing more could be expected of the students, and the decisions/recommendations have been presented well.

A score under the heading **Meets Expectations** in any category means that, in your opinion, the presentation/interaction is handled well. There may be a few minor problems or omissions, but they are not significant. A presentation/interaction which earns this level in every category would be considered a strong presentation/interaction.

A score under the heading **Below Expectations** or **Little/No Demonstration** in any category means that some major flaw has been noted which damages the effectiveness of the presentation/interaction. This may be a major omission, a serious misstatement or any other major flaw.