

**FIN-550 Module One Activity Guidelines and Rubric**

**Overview**

For this task, analyze the financial health of two competitors in the same industry based on their ratios, using the provided Excel spreadsheet template. Then, complete your analysis by writing a short synopsis of your findings in the space below the analysis.

**Prompt**

Follow these steps to analyze the financial health of two competitors. Use the [Module One Activity Template](#) to complete this task.

Select two companies operating in the same industry; for example, Macy's and Dillard's Inc. The companies have to be in the same business in order for the ratios to be valuable to your analysis. Complete the spreadsheet, providing the following:

- **Ratio Research:** Use the Excel spreadsheet template to analyze the selected **company** ratios (Profitability, Financial Strength, Valuation, Management Effectiveness, Dividends, and Efficiency) for both of the competitors. To complete this part, you can use the website [Morningstar](#) in the module resources to obtain the ratios. You can also use the [SEC Edgar Company Filings](#) resource to obtain the ratio from annual reports.  
**Note:** The ratios have to be from the same time period, the same year for both competitors. *For training on how to use Excel, visit the SNHU Atomic Learning [video training site](#) or search YouTube to view appropriate Excel training videos.*
- **Industry Ratios:** In order to analyze ratios for the companies, you need to obtain the ratios for the **Industry** the competitors operate in. Industry values for the ratios can be found in the index column of the Morningstar Valuation page. If no index value is available, put the five-year averages for both companies in the industry column and use these figures for the industry comparison of your ratio analysis.
- **Ratio Analysis:** Compare the two companies based on their ratios. Use the last column in the template to detail how each company is doing in relation to the ratios. Explain the significance of how the company ratios compare to the industry and each other.
- **Summary:** Finish by answering the questions below the analysis section of your Excel spreadsheet.
  - Briefly explain what a ratio analysis is in 1-2 paragraphs. Cite your resources.
  - Based on the ratio analysis, in which company would you be willing to invest and why?

**Note: This is a theoretical exercise. You should not be investing according to this analysis.**

**Rubric**

**Guidelines for Submission:** Complete and submit the Excel Worksheet template provided.

Critical Elements	Exemplary	Proficient	Needs Improvement	Not Evident	Value
<b>Ratio Research</b>		Provides accurate data for all the required company ratios in the categories of profitability, financial strength, valuation, management effectiveness, dividends, and efficiency  (100%)	Provides data for required company ratios in the categories of profitability, financial strength, valuation, management effectiveness, dividends, and efficiency, but some of the data is missing or inaccurate  (70%)	Does not provide data for any of the required ratios in the categories of profitability, financial strength, valuation, management effectiveness, dividends and efficiency  (0%)	10
<b>Industry Ratios</b>		Provides accurate data for all the <b>industry</b> ratios in the categories of profitability, financial strength, valuation, management effectiveness, dividends, and efficiency  (100%)	Provides data for the industry ratios in the categories of profitability, financial strength, valuation, management effectiveness, dividends, and efficiency, but some of the ratios are missing or inaccurate  (70%)	Does not provide data for any of the industry ratios in the categories of profitability, financial strength, valuation, management effectiveness, dividends and efficiency  (0%)	10
<b>Ratio Analysis</b>	Provides a detailed analysis for each ratio that demonstrates a complex grasp of each company's position when compared to each other and the industry  (100%)	Provides a detailed analysis for each ratio that provides an accurate assessment of each company's position when compared to each other and the industry  (90%)	Provides an analysis for each ratio, but the analysis lacks detail, is incomplete, or demonstrates an inaccurate understanding of each company's position when compared to each other and the industry  (70%)	Does not provide a ratio analysis  (0%)	35
<b>Summary</b>	Provides an accurate and complete definition of ratio analysis as well as a thorough and cogent, detailed explanation of which company they would invest in and why that is supported by the financial data	Provides an accurate and complete definition of ratio analysis as well as an appropriate explanation of which company they would invest in and why, supported by the financial data  (90%)	Provides a definition of ratio analysis and an explanation of which investment they would choose and why, but the definition is inaccurate or incomplete, or the explanation of which investment they would choose and why lacks detail, is incomplete or inaccurate or not supported by the financial data	Does not provide a definition of financial analysis or a selected investment and explanation  (0%)	35

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	(100%)		(70%)		
<b>Articulation of Response</b>	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  (90%)	Submission has major errors related to citations, grammar, spelling, syntax, or organization that negatively impact readability and articulation of main ideas  (70%)	Submission has critical errors related to citations, grammar, spelling, syntax, or organization that prevent understanding of ideas  (0%)	10
<b>Total</b>					<b>100%</b>