

Contestant Number \_\_\_\_\_

Time \_\_\_\_\_

Place \_\_\_\_\_

# FINANCIAL ANALYST TEAM (09)

## Regional—2013

PRELIMINARIES \_\_\_\_\_ (160)  
FINALS \_\_\_\_\_ ( 80)  
**TOTAL POINTS** \_\_\_\_\_ **(240)**

***Failure to adhere to any of the following rules will result in disqualification:***

- 1. Contestant must hand in this test booklet and all printouts.***
- 2. No equipment, supplies, or materials other than those specified for this event are allowed in the testing area. No previous BPA tests and/or sample tests or facsimile (handwritten, photocopied, or keyed) are allowed in the testing area.***
- 3. Electronic devices will be monitored according to ACT standards.***

No more than five (5) minutes orientation  
No more than 90 minutes preparation time

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*Workplace Skills Assessment Program* competition.

Your team is currently working in the Professional Business Associates (PBA) Finance Department and is responsible for evaluating the financial statements of companies who are applying for loans. Lanier Inc. has applied to PBA for a loan of \$50,000 for expansion and they have given you the following data to evaluate. Prepare the following for Lanier Inc:

- Income statement for year ended December 31, 2012
- Evaluate Lanier's solvency by calculating:
  - The debt to equity
  - Return on equity
  - Return on investment
  - Earnings before interest and taxes ratios
- Prepare a written report for your recommendation as to whether PBA should loan Lanier Inc. the \$50,000. Memo must follow the memo format located in the Style & Reference Manual. The memo is being sent to Harvey Rosen, Financial Services Department with the subject being "Our Financial Findings. Please use your Contestant ID # and Current Date where appropriate.

Lanier Inc.  
 Comparative Balance Sheet  
 December 31, 2012

	2012	2011
Cash	\$22,000	\$20,000
Accounts Receivable	41,500	39,000
Inventory	72,000	64,000
Plant & Equipment	288,000	265,000
Accumulated Depreciation	(80,000)	(72,000)
<b>Total Assets</b>	<b>\$343,500</b>	<b>\$316,000</b>
Accounts Payable	\$24,000	\$37,000
Wages Payable	3,500	4,000
Taxes Payable	6,750	8,500
Bonds Payable	100,000	100,000
Common Stock	80,000	80,000
Retained Earnings	129,250	86,500
<b>Total Liabilities &amp; Retained Earnings</b>	<b>\$343,500</b>	<b>\$316,000</b>

Additional Information:

Bad Debt Expense	1,715
Cost of Goods Sold	248,000
Depreciation Expense	11,000
Income Tax Expense	11,785
Interest Expense	15,000
Loss on Sale of Equipment	(1,000)
Rent Expense	45,000
Sales	400,000
Selling Expenses	39,000

**NOTES:** Place each team member's contestant number in a footer on any documentation you plan to give to the judges.

Print at least three copies of your report and any documentation that will be provided to judges. One copy will be provided to judges for scoring and one will be provided for finals. No changes can take place to content or data after testing time ends or team will be disqualified. If there are preliminary and final rounds in this event, visual aids may be prepared outside of the testing time, provided that content and data from the original written report are not changed.