

Assessment Information

Subject Code:	MBA403
Subject Name:	Financial and Economic Interpretation and Communication
Assessment Title:	Assessment 3: Individual case study report
Word Limit:	2000 words
Weighting:	30%
Total Marks:	30

Assessment Description

This assessment requires you to prepare a formal report for a stakeholder of your choice that interprets the annual report of an Australian company and makes appropriate recommendations.

You will be assessed on the thoroughness of your interpretation, including the conclusions you draw, the recommendations you make, and the way in which these have been justified by the evidence you include in your report. Importantly, this report will need to be written based upon the needs and priorities of the stakeholder.

This stakeholder can be the CEO, the regulator, the employees, the media, the shareholders or an altogether different individual with a vested interest in the success of the organisation.

Task

You need to choose a company that is currently listed on the ASX.

You are required to write a report interpreting the company's annual report. This report will need to be written for a specific stakeholder of your choice. Possible stakeholders are listed below:

- Potential investor
- Creditor
- Potential employee
- Local environmental group
- Union seeking a wage rise

You will also be required to source additional information about the company's performance, for example, via credible articles that discuss the management of the company.

Please note that where the annual report may have both group and parent company financial statements, you should use the group financial statements.

It is important that you refer to **financial analysis measures** in your report. See "*Workbook: The Tools we use*" file which can be found in Supplementary Resources at the bottom of the subject resources page on the portal. This provides further elaboration and for examples of analysis measures that you can use. These can be selected from any analysis measures stated in the annual report and/or your own calculations based on financial statements in the annual report or those provided to you by your workshop leader. It is important to source financial information relevant to your stakeholder.

You may also refer to relevant **non-financial measures** which are outlined in **Resource B** below.

It is expected that the language and **structure** of your report will reflect its formal nature and the preference of the stakeholder for whom it's intended. Please use **Resource A** below as a guide.

A modern formal report for business includes:

- an introduction (in the form of an executive summary)
- a main
- body (with sub-headings as appropriate)
- a justified conclusion (with recommendations and limitations of the report)
- a reference list.

Take care to clearly communicate your ideas.

Resource A – Report content

Introduction (in the form of an executive summary)

The executive summary is usually no longer than 10% of the original document.

It is written for people who may not have the time to read the entire report, and need an outline that presents the main findings and the conclusions.

Identify the company and its main activities and the reporting period to which the report relates. Outline the purpose of your report, identifying the specific needs of the stakeholder you've selected, and include a brief summary of your findings, incorporating your recommendation.

Accuracy in re-stating your report's main points is essential as decisions and strategies may be made by your intended user even though they have not read the entire report.

For planning purposes, an executive summary should be written after you've completed your report.

Interpretation

Interpreting the annual report for an external user involves explaining the relevant financial and non-financial information, which may be found in the current annual report and other media related to the Australian company.

Your interpretation needs to cover profitability, cash management and liquidity, and any other measure(s) relevant to the specific needs of the stakeholder.

You should also refer to:

- financial and/or non-financial information contained in the annual report
- other relevant financial and/or non-financial information collected from other sources that relates to the company and its economic activities. For example, if the report is for a potential employee, you could look for aspects of the business that have been closed down in the previous period or new openings.

Provide information about the company's business activities during the year and the financial implications of these. Identify business/economic causes for the trends in financial results. Provide evidence of the profitability of the company and discuss whether or not it seems to be well placed moving forward. Link these individual aspects together to give an overall picture of the company's situation relevant to the needs of the stakeholder.

Conclusion

Make a recommendation to the stakeholder tailored towards their specific needs. For example, if the report is for a potential shareholder, the recommendation should include a market analysis. If the report is for a potential employee, the recommendation should include specific details of staff relocations, redundancies or changes in the recent past.

Include information from commentaries in the company's annual report or refer to events with wider economic implications such as natural disasters, economic downturns, changes in government policy, inflation, or exchange rate movements.

Justify your recommendation by explaining how it will meet the needs of the stakeholder.

In your report and recommendation, identify assumptions you have made and limitations, for example, items in the accounts or auditor's report that you do not completely understand due to their complex technical nature.

Resource B

The following questions may assist you with your interpretation and with explaining non-financial aspects of the company from the annual report that may be relevant for the external user. Depending on the entity, some of these may not be contained within the report. You may need to use other sources.

- What are the core business area(s) and geographic locations in which the entity operates?
- How have the financial results improved or changed in the specific area?
- Is there evidence from other sources that can verify the trends for the industry?
- What are the entity's current business strategy or strategies and key points of difference in the target market? Is there a specific skill-set required of employees?
- What is the current and future market potential for the entity? What influence have recent global events apparently had on the entity? In which specific areas?
- Identify strengths of the entity's management team and how these may benefit the organisation in future financial years.
- What are the remuneration trends from last year to this year for the highest earners?
- Is there a difference in the wages that could be earned in a competitor's business?
- What is the current management structure and ownership structure?
- Identify strengths of the entity's management team and how these may benefit the organisation in future financial years.
- What are the remuneration trends from last year to this year for the highest earners?
- Are there other non-wage-related benefits of being an employee at the entity?

Assessment Marking Rubric

Your case study report will be assessed on whether or not the following competencies are present. The sum of the evident competencies will then be divided by the total marks available in order to generate your grade for this assessment.

Report-Writing Skills	Present?
The executive summary soundly summarises the purpose, structure and outcome of the report.	
The body of the report is worded in such a way that it is easy to understand and follow.	
The report uses more than just words, such as tables and graphs, to convey its message.	
The conclusion summarises the arguments and draws them together into a cohesive finish.	
The report contains paragraphs that are logically connected to each other.	
There are fewer than three spelling or grammatical errors per page.	
The format of the paper is double-spaced, using 12-point font, and within 10% of the word limit.	
References are included where required with each one recorded in the Harvard format.	
The report is of a calibre that could be presented to a professional corporate audience.	
Limitations of the report have been included.	
Technical Skills	Present?
The information presented in the report is accurate.	
The background of the organisation has been conveyed comprehensively but succinctly.	
The main issues of profitability, cash management, and liquidity have been covered.	
There is evidence to suggest that the annual report has been interpreted correctly.	
A mixture of financial and non-financial metrics have been considered.	
The student has gone beyond the annual report in terms of sourcing information.	
A range of macroeconomic and other external factors have been included in the report.	
The potential financial implications of non-financial organisational activities have been detailed.	
The conclusions and recommendations are justified by the evidence contained in the report.	
The causes of issues identified in the report are addressed.	
Stakeholder Engagement	Present?
The stakeholder selected has been described correctly.	
The reason for selecting this stakeholder (i.e. Why is this stakeholder a stakeholder?) is detailed.	
The selection of data sources are relevant to the interests of the stakeholder.	
The language and tone of the report is catered to the likely preferred style of the stakeholder.	
The potential influence of the stakeholder on the organisation has been outlined.	
The stakeholder's needs have been accurately identified.	
The prognosis for the organisation's future is framed based upon the stakeholder's interests.	
Potential conflicts between the selected stakeholder's priorities and other stakeholders are explored.	
It is clear how the conclusion and recommendations will satisfy the stakeholder's needs.	
The recommendations are convincing and compelling.	
TOTAL	