**PART I**

Prompt: In this milestone, you will submit a draft of the Introduction section (I) and the Feasibility section (V) of the final proje ct. You will introduce the company, its leadership, products, and services. Additionally, you will run a financial ratio analysis, which was introduced in Module Two. You will pick one ratio in each categoryofratioand compare the results to an industry peer’s ratios. You will then analyze the strengths and weaknesses of the company based on the ratio analysis.

Specifically, the following critical elements must be addressed:

I. Introduction: Provide a brief overview of the company you have selected with regard to its potential as an investment opportunity. Be sure to include the following items in your overview:

1. a)  What is the size of the company relative to other companies in the industry, both currently and historically?
2. b)  What is the company’s leadership position in its industry? In other words, is this company considered a leader or a follower? Be sure to defend your response.
3. c)  What is the financial position and profitability of the company, both currently and historically?
4. d)  Analyze the company’s major product lines. How important are these major products in generating the company’s revenues? What level of success have the products enjoyed in the marketplace? What is the implication of this on the feasibility of the company as a potential investment opportunity? Consider discussing the interrelationship among product lines, revenue, an d investment potential, and be sure to defend your reasoning.

V. Feasibility as an investment opportunity

1. a)  Calculate one standard financial ratio from each of the broader categories of leverage, liquidity, operating, profitability, and solvency ratios for the company.
2. b)  Compare the ratios you calculated for your company to those of its competitors/industry average, and identify discrepancies that you find. For example, an analysis of Coca Cola should include a comparison with PepsiCo, since these two companies are similar in size and scope.
3. c)  Analyze the ratio discrepancies between your selected company and its competitors, and explain why you feel these discrepancies exist, as well as their impact on the company’s potential as an investment opportunity. Be sure to defend your reasoning.
4. d)  What do you feel are your selected company’s strengths and weaknesses as a potential investment opportunity? What is it doing well? What do you feel are some areas in need of improvement? Be sure to defend your rationale.

**Your paper must be submitted as a 2- to 3-page Microsoft Word document with double spacing, 12-point Times New Roman font, one-inch margins, and at least 2 sources cited in APA format.**

**PART II (1 page long)**

This case study will ask you to analyze the use of financial statements in the decision-making process.

First, interpret the functions of the financial balance sheet in assisting in management's decision-making process. How is the balance sheet related to the income statement?

Next, in an example, discuss the details and the major components and activities of the statement of cash flows. Lastly, discuss how you would use the statement of cash flows in decision making.