

FiMA 2021

**Financial Modeling and
Analysis Competition 2021**

Department of Management Sciences

Faculty of Management

Uva Wellassa University of Sri Lanka





INTRODUCTION




FiMA 2021 Financial Modeling and Analysis Competition is organized parallel to the UWU Entrepreneur's Day 2021. The competition is designed under the AHEAD project of the Department of Management Sciences, Uva Wellassa University Sri Lanka. The competition is open for the second year undergraduates of Uva Wellassa University.

The consecutive adverse events that took place in Sri Lanka recently have caused crucial adverse ramifications that resulted in substantial destruction in the business sector (PricewaterhouseCoopers (Private) Limited, 2020). It highlights the necessity to study the financial healthiness of the CSE enlisted companies. As pinpointed by many scholar's companies have emphasized more on short-run survival than long-run growth (KPMG International Limited, 2020). Thus, the purpose of this competition is twofold; Firstly, it will focus on building a rational model to understand, evaluate, and analyze the prevailing contextual implications on financial performance, position and stability of company over five years' period, and secondly based on such analysis competition would suggest solid accounting and financial strategies to be executed to minimize the adverse consequences.

FiMA- Competition Task

You will be assigned a company enlisted in the Colombo Stock Exchange (CSE) by the Competition organizing committee after team registration. Assuming your team as the finance management team of the assigned entity, develop an excel model to evaluate the financial performance, position and stability of the company over a five (5) years period using financial ratios namely, profitability ratios, liquidity ratios, gearing ratios, efficiency ratios and market ratios. Then compile a report that includes the financial suggestion to overcome these adverse ramifications. Your suggestions require to follow SAF (Suitability, Acceptability and Feasibility) model. Herein, you can consider the financial, accounting and taxation regulatory framework and any other relevant information. Profoundly your suggestions should be practical and general or theoretical solutions will not be added to the marks for evaluations. Eventually, after the submission, you have to present your findings and suggestion in front of a panel.

Steps		What's our scope
Step 01 Team Registration		<p>A group of eight students of UWU second year Undergraduates have to register for the competition on or before 10th September 2021 using the below specified link;</p> <p>https://docs.google.com/forms/d/e/1FAIpQLSe4D2IQVwGCU8huG4iiY85XKSPFGDRcBZ3mt_oPsblBmw7PHw/viewform?usp=pp_url</p>
Task 02 Assigning the company		<p>You will be assigned a company enlisted in Colombo Stock Exchange (CSE) by the organizing committee You have to download the annual report of the given company for five years' period from the Colombo Stock Exchange (CSE) and develop an excel model to evaluate the financial performance, position and stability over a five (5) years period using financial ratios.</p>
Task 03 Design the excel model using given template (You can revise it appropriately)		<p>Excel model should consist of:</p> <ol style="list-style-type: none"> Brief introduction to the Company Excel analysis of five types of ratios over five years Graphical presentation of periodic change All the assumptions made and workings performed should be attached in annexures
Task 04 Writing the Report		<p>The report should consist of:</p> <ol style="list-style-type: none"> Executive Summary Brief introduction to the Company Descriptive analysis of the ratios calculated Describe the challenges encountered by the given company due to COVID 19 and Easter Attack Constructively comment on ratios reference to the specified challenges Provide robust and comprehensive financial recommendation to cope with these challenges Reference list and Appendix (All the workings should be attached in Appendix) Students Declaration

		<p><i>Report Formatting Guidelines</i></p> <ol style="list-style-type: none"> Font - Times New Roman (Headings- Size 14, Sub topics -Size 12 (Bold), Body - Size 12) Spacing and Alignment - 1.5 Justified Maximum word limit - 5000 words (+/- 10% is allowable) Maximum No of Pages – (20 – 30 Pages) Page Numbering: - Bottom - Centre (Arabic numerals) Labeled all our tables and figures Referencing style should be APA
<p>Task 05 Submission of written report</p>		<p>Submission of written report and model to the portal on 25th September 2021</p>
<p>Task 06 Presentation / VIVA</p>		<p>Eventually after the submission of excel model and report you have to present your findings and suggestion in front of a panel.</p> <p><i>Guidelines</i></p> <ol style="list-style-type: none"> The presentation should highlight the key elements you discussed in the report. The presentations should be no more than 10 minutes long. The presentations will be conducted via zoom After the 10 minutes of presentation; it will be open for 10 minutes' panel discussion.
<p>Task 07 Evaluation</p>		<p>Based on following criteria given in the table, the wining team will be selected.</p>

Task 1: Excel Model	Marks
Calculation of Ratios Calculation of liquidity, gearing, profitability, efficiency and investor ratios over Five years Application of correct formula	10%
Graphical Presentation of Ratios. Use of range of charts and graphs to present the changes take place over five years	10%
Task 2: Report	
Critical analysis of Ratios. The ratio analysis results should be critically analyzed based on other financial information and considering all the other relevant published information	15%
Suggestions and Recommendation Solid financial recommendation considering all the financial components such as working capital management, and investment financing and dividend decision SAF (Suitability, Acceptability and Feasibility) evaluation of the alternative suggestions to determine the best	15%
Formatting and presentation of the report Adhere to referencing, formatting guidelines Avoid plagiarism Reduce grammar and spelling errors	5%
Task 3: Presentations	
The presentation of relevant and significant findings and suggestion	15%
Confidence and accuracy in answering panel questions	30%
Total	100%

Excel Model

Copy of Ratio analysis - Excel (Product Activation Failed)

Liquidity Ratios		2010	2011	2012
Definition:				
Current Ratio =	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	0.88 = $\frac{454,075}{517,557}$	1.14 = $\frac{745,747}{652,915}$	1.01 = $\frac{672,936}{664,698}$
Industry Average		1.03	1.08	1.28
Variance		(0.15)	0.07	(0.26)
Annually Growth/Decline			0.26	(0.13)
Quick Ratio =	$\frac{\text{Current Assets} - \text{Inventory}}{\text{Current Liabilities}}$	0.49 = $\frac{454,075 - 198,314}{517,557}$	0.72 = $\frac{745,747 - 278,495}{652,915}$	0.72 = $\frac{672,936 - 196,389}{664,698}$
Industry Average		0.50	0.54	0.76
Variance		(0.00)	0.17	(0.04)
Annually Growth/Decline			0.22	0.00
Net Working Capital Ratio =	$\frac{\text{Current Assets} - \text{Current Liabilities}}{\text{Total Assets}}$	(0.08) = $\frac{454,075 - 517,557}{845,476}$	0.07 = $\frac{745,747 - 652,915}{1,291,878}$	0.01 = $\frac{672,936 - 664,698}{1,222,824}$
Industry Average		0.01	0.03	0.10
Variance		(0.08)	0.04	(0.09)

Significant Finding Input Liquidity Assets Profitability Debt Market Short term B...