



Course: AC201 Fundamental Accounting
Semester: 1/2011
Instructor: Assistant Professor Dr. Orapan Yolrabil
Topic: Financial Statement Presentation Project

Towards the end of the course, the students are required to do project on financial statement analysis (5% of the course grade). The students must be able to integrate the knowledge acquired during the semester to analyze company's financial performance, financial position, and other aspects based on financial reports of the company. The students can select the company of interest for this project. However, the company selected must be listed in The Stock Exchange of Thailand and must be non-finance, non-insurance, and non-bank organizations.

Project Details and Requirements:

1. Form a group of 5-6 students to perform financial analysis on your selected company.
2. Choose one listed company of interest to perform financial statement analysis. The selected company must be listed in the Stock Exchange of Thailand. It must not be finance firms, insurance companies, or banks. This is due to the fact that these companies are under different set of disclosure requirements.
3. Acquire key financial information and financial ratios of selected company during the past 5 years (2007 – 2nd Quarter of 2011) from www.set.or.th. Additional information (more detailed information), is also available at company's website, www.sec.or.th, www.settrade.com and other public sources.
4. The set of information acquired must include at least the followings:
 - Financial Data: Assets (especially, Accounts Receivable and Inventory), Liabilities (Accounts Payable), Equity, Paid-up Capital, Dividend, Revenue, Expense (especially cost of goods sold, and other key expense items), Net Profit, and Market Capitalization (in million Baht).
 - Financial Ratio: Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin, Price-Earnings Ratio (P/E), Book Value per Share, Dividend Yield.
5. Perform basic financial statement analysis on the acquired information. The project should be organized in the following ways:
 - a. Describe nature of business/industry and products/services of selected company.
 - b. Present 5-year key financial data and financial ratio (in tabular format and/or in graphical format).
 - c. Analyze the trend of key financial data and financial ratios whether the company is in good shape. From the acquired financial data or financial ratios, if you spot problems that the company is facing or will be facing, please specify. Additional ratios (such as accounts receivable turnover, inventory turnover, total assets turnover ratio, debt-to-equity ratio, current ratio, quick ratio, interest coverage ratio, and etc.) may be calculated based on financial statement items acquired to be able to perform a more detailed financial analysis. For each of the financial ratio, describe the meaning and calculation formula before analyzing the ratio. You are required to do your own research on the interpretation of each of the financial ratio.

Based on the financial ratios, you should at least address the following aspects:

 - Profitability eg. Return on Equity, Earnings per Share, Gross Profit Margin, Net Profit Margin, and etc.
 - Liquidity eg. Current Ratio, Quick Ratio, Accounts Receivable Turnover, Inventory Turnover, and etc.
 - Solvency eg. Debt-to-Equity Ratio, Interest Coverage ratio, and etc.
 - Efficiency eg. Return on Assets, Asset Turnover, and etc.
 - d. Conclude whether the investors should invest in company's shares based on your analysis.

Note: When you perform an analysis, please keep in mind that 2011 information is only for the first 2 quarters of the year.

6. Length of the project (analysis part) should not exceed 10 pages, excluding supplemental figures, pictures, or graphs (if any).
7. The project's due date is set on December 11, 2011, which is the last day of class. Early hand-in is very welcome. I encourage you to work on the project during the extended class cancellation period. Should you need more information or have any questions, please post them in discussion forum in the handout online system?