

Les Roches

ASSIGNMENT OUTLINE

Assignment title:	Financial Statements: Advanced Analysis and Budgeting
Weighting:	20%
Faculty responsible:	Mr. López
Programme:	BBA6
Course name:	Hospitality Financial management & Budgeting
Course number:	FIN 4501
Hand-out date:	Week 9 (Semester 2024.2)
Hand-in date:	Week 12 (deadline Friday 29.11.24. at 23,55 hours. CET)

Assignment Overview: Students are required to create and analyze the financial statements for the hospitality business that they have chosen in **HOS 4801 Hospitality Strategy and Organizations** subject. Templates will be provided; however, students are recommended to use their own files and they must demonstrate their understanding of the topics by developing their own scenarios. The analysis should be presented in a written report.

Assignment Objectives:

1. Demonstrate a clear understanding of Income Statements, Balance Sheets, Ratio Analysis and Budgeting.
2. Develop accurate financial projections using provided templates or creating your own.
3. Perform comprehensive vertical analysis and ratio analysis.
4. Present findings and conclusions effectively in a written report format.
5. Enhance skills in financial statement analysis and interpretation.

Assignment Overview of Tasks:

1. Financial Projections:
 - Create detailed projections for the Balance Sheet and Profit and Loss Statement.
 - Include a monthly breakdown for the Food & Beverage (F&B) and Rooms Division (or any other departments presented in the business) Income Statement and Budgeting (5 years).
2. Vertical Analysis and Ratio Calculation:
 - Conduct a vertical analysis of the Income Statement and Balance Sheet.

- Calculate at least 10 financial ratios (of your choice), (e.g., liquidity ratios, profitability ratios, leverage ratios, efficiency ratios, and market ratios).
- Analyze and interpret the most significant results from the vertical analysis and ratio calculations.

3. Written Report:

- Compile a comprehensive written report that includes the following sections:
 - Cover Page: Include the Les Roches logo, assignment title, student names in full, student numbers, and course name.
 - Statement of Authorship: Include a signed statement of authorship immediately after the cover page.
 - Assignment Structure:
 1. Table of Contents: Include all sections with corresponding page numbers.
 2. Introduction: Provide an overview of the assignment objectives and tasks.
 3. Income Statement Analysis: Present the projections and analysis of the Income Statement.
 4. Balance Sheet Analysis: Present the projections and analysis of the Balance Sheet.
 5. Ratio Analysis: Detail the calculations and interpretation of the financial ratios.
 6. Budgeting for 5 years. Include the investment.
 - Conclusions: Summarize the key findings from the vertical analysis and ratio analysis, highlighting the most significant results and their implications.

By completing this assignment, students will enhance their ability to analyze and interpret financial statements, develop financial projections, and effectively communicate their findings in a professional report format.

Learning outcomes:

2. Analyze the main sources of finance both internal and capital structure and degree of financial leverage.
3. Examine how companies prepare and administer budgets.
4. Develop major Capital Budgeting techniques.

Organisation and methodology:

Every group (Min. 4 – Max. 5 Students) will need to create a document (Word) + all the excel documents and all the documents will be uploaded into Moodle (by one member of the group). During week 13 (TBC) there will be a ten-minute presentation in class to evaluate the individual assessment.

1. References (in APA format style, see Plagiarism section below).

Word count: Minimum 4000 words

Assessment tasks & weighting:

Group grade:

- 10% Format and presentation
- 20% Vertical Analysis including charts
- 20% Ratios including charts if necessary.
- 40% 5-year budget.

Individual grade

- 10% Peer evaluation

Group Project Evaluation Sheet must be used for Peer assessment (please see annex)

English level is also assessed in this project and will correspond to 10% of the grade:

ENGLISH SKILLS	FULL ACHIEVEMENT	GOOD	REASONABLE	ADEQUATE	FAIL
Coherence/Structure/Flow Writing is structured Has a beginning & end Ideas are well connected Clear flow – easy to read	Effectively organised. Well-structured with good flow	Generally, well organised. Sometimes ideas are not linked together.	Structure could be better with clearer development for better reading	Shows some organisation – just enough to pass	Not clearly organized. Difficult to follow
Relevant Use of Language Writing uses specific language used in Hospitality and required by assignment	Minimum errors – wide range of appropriate vocabulary	Good range of appropriate vocabulary	More than adequate range used	Uses limited variety of terms, and is often repetitive	Poor use or no use of specific terms
Appropriate Tone Required use of either formal or informal style of writing	Appropriate tone throughout and reflects assignment requirements	Tone on the whole appropriate	Some inconsistent use of language	Not always appropriate therefore not entirely successful	Inappropriate tone used in most of the task
Clarity & Accuracy Writing is clear with no confusing areas	Extremely clear. Well developed & expanded upon	Slight confusion due to minor inaccuracy. Ideas on the whole developed well.	Occasional confusion due to ideas not being clear but message is given.	At times, difficult to follow and/or repetitive	Difficult to read due to inaccuracies.
Impact/Effectiveness on Reader Impact on reader	Excellent	Very Positive	Positive	Satisfactory – just a pass	Poor effect on reader

Common skills: assessed (bold) or developed (italics):

MANAGING AND DEVELOPING SELF	1.Manages own role and responsibilities	2. Manages own time in achieving objectives.	3.Undertakes personal and career development	4. Transfers skills gained to new and changing situations and contexts.	<i>5.Uses a range of thought processes</i>
WORKING WITH AND RELATING TO OTHERS	<i>6.Treats others' values, beliefs and opinions with respect</i>	7.Relates to and interacts objectively with individuals and groups	8.Works effectively as a member of a team		
COMMUNICATING	9.Receives and responds to a variety of information	10.Presents information in a variety of visual forms	<i>11.Communicates in writing</i>	12.Participates in oral and non-verbal communication	
MANAGING TASKS AND SOLVING PROBLEMS	13.Uses information sources	14. Deals with a combination of routine and non-routine tasks	15.Identifies and solves routine and non-routine problems		
BECOMING NUMERATE AND USING TECHNOLOGY	16.Applies numerical skills and techniques	17.Uses a range of technological equipment and systems			

Special instructions. Your project should follow the following structure:

**For the IS:
Revenue Analysis**

- Where is the Total Revenue coming from?
- Where is the Revenue in F&B coming from?
- Key Performance Indicators in Rooms Division E.g. ADR, RevPar, Occ %, Guest Occupancy, Average spend per guest, etc.

Expenses Analysis

- Which are the expenses in RD? Which percentage of the revenue does the hotel use in those expenses?
- Which are the expenses in F&B? Which percentage of the revenue does the hotel use in those expenses?
- If there is any other department... which percentage of the revenue is used to cover its expenses?
- How much are the Undistributed Operating Expenses?
- Which percentage of the revenue does the hotel use in those expenses?
- Analysis of other expenses that can be consider relevant...

Profit Analysis

- GOP
- EBITDA
- Gross Profit
- Net Profit

For the Balance Sheet

- Assets Distribution
- Debt Distribution
- Sources of Finance Distribution

Ratios

- 10 Ratios of your choice

Budget

- 5 Years Projections
- Consider the Investment
- Operating & Capital Budget

Other comments/reminders:

- No project or part of it will be accepted after the hand-in date and time.
- Failure to hand in the assignment or any part of it will result in a 0 grade.
- The groups will be decided in class by the students.
- There will be groups of 4 to 5 members in total.
- The project + presentation need to be uploaded to Moodle. Check the corresponding section.
- By uploading your project to the Moodle area (whether it's you or the group you are part of), you are agreeing with the plagiarism policy (summary below).
- All students must sign the peer evaluation sheet and send it to the teacher via email before the hand-in date and time.

Plagiarism:

Plagiarism is the act of presenting another's ideas or words as one's own. Cheating includes, but is not limited to, the intentional falsification or fabrication of any academic activity, unauthorized copying of another person's work, or aiding and abetting any such acts.

Particular care must be taken when presenting information that has been obtained from an internet site. Should this information not be correctly referenced then you are guilty of plagiarism and will be penalised accordingly.

With respect to projects/assignments, faculty reserves the right to randomly call upon any student and ask them to defend their work orally.

Any assignment/exam which is found to contain plagiarism will automatically be awarded a grade of 0, and an e-mail will be sent to the student or the student's parents/tutors/sponsors. Depending on the circumstances, additional penalties could be imposed (see LRM Academic Regulations, Section 11).

Statement of authorship

Following the title page of your assignment there should be a page on which you sign a statement that the work included in the assignment is your own work except where appropriately referenced. The following statement should be used:

Statement of authorship

I certify that this assignment is my own work and contains no material which has been submitted as part of an assignment in any institute, college or university. Moreover, to the best of my knowledge and belief, it contains no material previously published or written by another person, except where due reference is made in the text of the assignment.

Signed.....

Name.....

Student number.....

Annex I. Group Project Evaluation Sheet

Teamwork is an essential skill whilst you are a student and as you develop your career in industry. This Peer Evaluation form requires you to evaluate the performance of yourself and your peers against Common Skills identified by Industry as key employee success skills.

Peer evaluation allows team members to assess other members of the team as well as themselves, against these Common Skills to provide an opportunity for improvement. You should always assess your team members consistently, fairly, and with integrity. You should be both willing and able to provide team members with feedback to enable them to review their performance and improve for the future.

Please rate each of the members in your group (**including yourself**) regarding their contribution to your group project on a scale from 0 to 10 using the following criteria matrix

	Works effectively as a member of a team	Identifies and solves routine and non-routine problems	Manages time in achieving objectives	Participates in oral & non-verbal communication	Overall Contribution to Group Project
9 - 10	Helps getting the group moving without dominating it	Supports others to find appropriate solutions	Can be counted to finish tasks and undertake additional tasks	Always contributes and is able to publicly justify a course of action	Would not be possible without her/him
7 – 8,9	Always participates, makes sure everyone has a chance to participate.	Able to give creative and flexible solutions which are helpful	Always gets things done on time	Provides thoughtful, meaningful suggestions	Above Average contribution
6 – 6,9	Acceptable participation	Some helpful ideas for solutions to tasks	Usually gets things done on time	Is helpful and makes some suggestions	Acceptable contribution
3 – 5,9	Participates, but does not accept the team decisions	Provides limited solutions to tasks	Gets things done, but usually late	Contributes from time to time	Minimal contribution
0 - 2,9	Never shows up or is disruptive the team process	Never identifies problems or provides solutions	Never turns anything in	Never says anything	None

Each Student Name in the group	Works effectively as a member of a team	Identifies and solves routine and non-routine problems	Manages time in achieving objectives	Participates in oral & non-verbal communication	Overall Contribution to Group Project	TOTAL