**JWI 531 Finance II Assignment 2 Template**

**HOW TO USE THIS TEMPLATE:**

This is a template and checklist corresponding to your Assignment 2 paper: **Performance Management and Valuation**. See below for an explanation of the color-coding in this template:

* All green text includes instructions to support your writing. You should delete all green text before submitting your final paper.
* All blue text indicates areas where you need to replace text with your own information. Replace the blue text with your own words in black.
* Headings and subheadings are written in **black, bold type**. Keep these in your paper.

**TIPS:**

* Write in **the third person**, using “he” or “she” or “they”, or using specific names. Do not use the second person “you”.
* The body of this paper has one-inch margins and uses a professional font (size 10-12); we recommend Arial or Times New Roman fonts.
* The Assignment template is already formatted with all needed specifications like margins, appropriate font, and double spacing.
* Before submitting your paper, use Grammarly to check for punctuation and usage errors and make the required corrections. Then read aloud to edit for tone and flow.
* You should also run your paper through **SafeAssign** to ensure that it meets the required standards for originality.

**FINALIZING YOUR PAPER**

Your submission should be a maximum of 4 pages in length. The page count does **not** include the Cover Page at the beginning and the References page at the end. The final paper that you submit for grading should be in black text only with all remaining green text and blue text **removed**.

Assignment 2: Performance Management and Valuation

Author’s Name

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Professor’s Name

JWI 531

Date

**Introduction**

An **Introduction** should be succinct and to the point. Start your Introduction with a general and brief observation about the paper’s topic. Write a thesis statement, which is the “road map” for your paper - it helps your reader to navigate your work. In your thesis statement, be specific about the major areas you plan to address in your paper.

The headings below should guide your introduction, since they identify the topics to be addressed in your paper. The introduction is not a graded part of your rubric but it helps your reader to understand what your assignment will be about. We recommend that you write this part of your Introduction after you complete the other sections of your paper. It only needs to be one paragraph in length.

**Analysis and Recommendations**

This assignment is centered on two broad topics: Performance Metrics and Merger Synergies. Use the headings and sub-headings below to organize your paper. This helps to ensure that you do not miss questions and also helps your reader to easily locate your responses.

1. **Performance Metrics**
	1. **Which company is a more efficient generator of income?**
	2. **Which company is growing faster?**
	3. **Using financial health ratios, which company is more profitable?**
	4. **Which company has stronger valuation ratios?**
	5. **Overall, which company is better run and why?**

Your answers to questions “a” through “d” should be quite brief. Typically, each will require only 2 or 3 sentences. The first sentence should provide a short factual response, clearly indicating which company has superior performance in the category. The other sentence(s) should provide a VERY BRIEF elaboration on your answer, such as “We can see this by….” or “This is demonstrated through a comparison of…”

Your response to question “e” should take a paragraph. Essentially, you are drawing together your analysis of the previous questions into a summary statement. However, you should also include any additional factors that may not have been specifically addressed. Note that it is possible that one of the companies may be better run than the other overall, but it is also possible that one may be superior in some categories and inferior in others. Your answer should present a clear statement in the opening sentence and then expand on, and defend, your position by referencing specific performance data for support.

1. **Merger Synergies**
	1. **If there was an acquisition, which company is the most likely acquirer? Why?**
	2. **Would you recommend a merger or acquisition to increase the moat strength of the combined companies? Why or why not?**
		* **If you support a merger or acquisition, identify 3 performance metrics that could be improved by a merger and explain how they would be improved. Guidance for this is found on pages 101-110 of *The CFO Guidebook*.**
		* **If you do not support a merger or acquisition, explain your rationale and why the value of each company is best preserved/increased by remaining separate. The guidance for this is found on pages 111-117 of *The CFO Guidebook*.**

As you craft your response for the second part of the paper, pay attention to what is being asked in question “a” versus question “b”.

Question “a” requires you to identify the most likely acquirer and then to explain your rationale. Even if you are arguing against a merger in your response to question “b”, you must still answer the questions based on the premise: …*If there was an acquisition...* Your answer should take one fairly robust paragraph of 5 to 6 sentences. You may also want to include a set of sub-bullets, if you are listing several reasons why Company A would be the most likely acquirer of Company B. The bullets will help the reader easily see the different reasons you are using to defend your position.

In responding to question “b”, you are presenting your recommendation for or against bringing the two companies together. Begin your response with a clear statement of your position. Take note that the question is specifically focused on Moat Strength, so it is a good idea to briefly review your findings from Assignment 1. Include two or three additional sentences to support your position.

Then, answer one of the sub-bulleted questions, as explained in the bullets below:

* Answer the first one if you are arguing *for* a merger/acquisition. Provide a clear explanation of what the combined company could do better (i.e., faster, cheaper, more efficient, etc.) Your answer must be based on real data from your analysis of their current performance AND it must include specific reference to the course materials.
* Answer the second one if you are arguing *against* a merger/acquisition. Clearly state your position and rationale. You must explain why the challenges of a merger outweigh the benefits, and why a merger would not create synergies leading to a higher valuation for the combined company, as compared to what could be achieved by operating them independently. As above, your response must include specific references to course materials to support your position.

**References**

Use the information below to format your in-text citations correctly. Note how the source number connects each citation with the References list on the last page of your paper.

For more citation examples and a sample References page, see the *Sample Professional Paper* and the *JWMI Writing Standards Guide.* You can find both these documents in the **Course Documents** menu item in your Blackboard course.

**In-Text Citations**

Within the body of your paper, when concepts from specific sources are used, a citation with the author’s last name and the number of the citation in your **References** list is required: e.g., (Welch, 1). This is called an **in-text citation**. See below for two examples:

“Leadership is about helping other people grow and succeed” (Welch, 1).

In this example, notice the placement of quotation marks, cited text, and the period after the citation. The number 1 corresponds to the first entry on your References page.

When the reader looks at the References page, they should see the Welch book *Winning* listed as source number one (1). It is number 1 because it is the first source used in the paper, and throughout the paper this source will continue to be referred to as (1).

If the next source you use in your paper is Bragg, then your citation is (Bragg, 2). If you then refer to Jack’s ideas again later in the paper, he remains (Welch, 1) because it is the first source used in the paper, and throughout the paper this source will continue to be referred to as (1).

**Linking Citations with your References Page**

At the end of your paper, include a page with a list of all your references. It must include an entry for every source that you have cited or quoted in your paper.

The format of the references list varies by source type. There are examples of different source types in the sample References page at the end of this document. You may also refer to the *Sample Professional Paper* and/or the *JWMI Writing Standards Guide.* You can find both these documents in the **Course Documents** menu item in your Blackboard course.

**Quotations**

Originality is an important aspect of graduate writing. To ensure original thinking and avoid plagiarism, you should keep direct quotation to a minimum. Generally, keep your quotes to 25 words or less, and no more than 1-2 sentences. See below for an example of a direct quotation:

“Leadership is about helping other people grow and succeed” (Welch, 1).

In this example, notice the placement of quotation marks, cited text, and the period after the citation. The number 1 corresponds to the first entry on our References page.

**Paraphrasing**

When you paraphrase, you put the information from another writer in your own words. This is much preferable to quoting, as it shows your understanding of the material. In this case, you should use in-text citation, but quotation marks are not required. See below for an example of paraphrasing:

In his Rule 3, Welch says that strong leaders display an impression of vitality and confidence (1).

Since the author’s name was used in the sentence, we do not need to include it again in the parentheses, so we just provide the Reference number, which is (1).