



**CAREER CLUSTER**

Finance

**CAREER PATHWAY**

Corporate (Banking) Finance

**INSTRUCTIONAL AREA**

Financial Analysis

**BUSINESS FINANCE SERIES EVENT**

**PARTICIPANT INSTRUCTIONS**

- The event will be presented to you through your reading of the 21<sup>st</sup> Century Skills, Performance Indicators and Event Situation. You will have up to 10 minutes to review this information and prepare your presentation. You may make notes to use during your presentation.
- You will have up to 10 minutes to make your presentation to the judge (you may have more than one judge).
- You will be evaluated on how well you demonstrate the 21<sup>st</sup> Century Skills and meet the performance indicators of this event.
- Turn in all of your notes and event materials when you have completed the event.

**21<sup>st</sup> CENTURY SKILLS**

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- Critical Thinking – Reason effectively and use systems thinking.
- Problem Solving – Make judgments and decisions, and solve problems.
- Communication – Communicate clearly.
- Creativity and Innovation – Show evidence of creativity.

**PERFORMANCE INDICATORS**

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- Describe common management accounting performance measures.
- Explain the nature of capital investment.
- Explain the impact of the cost of capital on capital investments.
- Describe the need for financial information.
- Draw conclusions based on information analysis.

## EVENT SITUATION

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You are to assume the role of a financial analyst hired to analyze business performance. The district manager of EZRIDE CAR RENTAL (judge) wants you to analyze the business's performance at one particular location: the airport.

The district manager of EZRIDE CAR RENTAL (judge) wants you to evaluate performance based on Return on Investment (ROI) and a balanced scorecard. EZRIDE has invested \$200 million dollars in its airport location, and it has generated on average \$30 million in annual net income each year. Since investments should not only be analyzed based on financial information, the district manager (judge) would like you to calculate ROI and consider other non-financial ways to analyze the performance of the EZRIDE airport location.

You are to:

- Calculate ROI and explain to the district manager (judge) the significance of the calculation
- List non-financial factors that influence the performance of the airport location

You will present the information to the district manager (judge) in a role-play to take place in the district manager's (judge's) office. The district manager (judge) will begin the role-play by greeting you and asking to hear your ideas. After you have presented the information and have answered the district manager's (judge's) questions, the district manager (judge) will conclude the role-play by thanking you for your work.

## JUDGE INSTRUCTIONS

### DIRECTIONS, PROCEDURES AND JUDGE ROLE

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In preparation for this event, you should review the following information with your event manager and other judges:

1. Participant Instructions, 21<sup>st</sup> Century Skills and Performance Indicators
2. Event Situation
3. Judge Role-Play Characterization  
Allow the participants to present their ideas without interruption, unless you are asked to respond. Participants may conduct a slightly different type of meeting and/or discussion with you each time; however, it is important that the information you provide and the questions you ask be uniform for every participant.
4. Judge Evaluation Instructions and Judge Evaluation Form  
Please use a critical and consistent eye in rating each participant.

### JUDGE ROLE-PLAY CHARACTERIZATION

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You are to assume the role of the district manager of EZRIDE CAR RENTAL. You have hired a financial analyst (participant) analyze the business's performance at one particular location: the airport.

You want the financial analyst (participant) to evaluate performance based on Return on Investment (ROI) and a balanced scorecard. EZRIDE has invested \$200 million dollars in its airport location and it has generated on average \$30 million in annual net income each year. Since investments should not only be analyzed based on financial information, you would like the financial analyst (participant) to calculate ROI and consider other non-financial ways to analyze the performance of the EZRIDE airport location.

You have asked the financial analyst (participant) to:

- Calculate ROI and explain the significance of the calculation
- List non-financial factors that influence the performance of the airport location

The participant will present information to you in a role-play to take place in your office. You will begin the role-play by greeting the participant and asking to hear about his/her ideas.

During the course of the role-play, you are to ask the following questions of each participant:

1. How do you think our airport location differs from a center-city location in terms of revenue?
2. How do the non-financial factors influence our finances?

Once the financial analyst (participant) has presented information and has answered your questions, you will conclude the role-play by thanking the financial analyst (participant) for the work.

You are not to make any comments after the event is over except to thank the participant.

## SOLUTION

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**1. Calculate ROI and explain to the judge the significance of the calculation.**

ROI: Return on Investment, Net Income/Investment

$30/200 = 15\%$  return

The ROI indicates the percent of profit generated each year on each dollar of investment in the location. ROI is typically compared to the current interest rate, other locations, the industry average, or the standard ROI that the company requires of all investments. The higher the ROI, the better the investment.

**2. List other non-financial ways to evaluate the performance of the airport location.**

A Balanced Score Card is used to evaluate investments on qualitative data. Examples of items that could be evaluated on a Balanced Score Card for the airport location for EZRIDE CAR

RENTALS could include:

- Customer wait time in line
- Customer satisfaction surveys
- Phone call wait time
- Time with customer service representative
- Customer complaints
- Social Media complaints
- Employee satisfaction surveys

## EVALUATION INSTRUCTIONS

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The participants are to be evaluated on their ability to perform the specific performance indicators stated on the cover sheet of this event and restated on the Judge's Evaluation Form. Although you may see other performance indicators demonstrated by the participants, those listed in the Performance Indicators section are the critical ones you are measuring for this particular event.

### Evaluation Form Interpretation

The evaluation levels listed below and the evaluation rating procedures should be discussed thoroughly with your event director and the other judges to ensure complete and common understanding for judging consistency.

<b>Level of Evaluation</b>	<b>Interpretation Level</b>
Exceeds Expectations	Participant demonstrated the performance indicator in an extremely professional manner; greatly exceeds business standards; would rank in the top 10% of business personnel performing this performance indicator.
Meets Expectations	Participant demonstrated the performance indicator in an acceptable and effective manner; meets at least minimal business standards; there would be no need for additional formalized training at this time; would rank in the 70-89 <sup>th</sup> percentile of business personnel performing this performance indicator.
Below Expectations	Participant demonstrated the performance indicator with limited effectiveness; performance generally fell below minimal business standards; additional training would be required to improve knowledge, attitude and/or skills; would rank in the 50-69 <sup>th</sup> percentile of business personnel performing this performance indicator.
Little/No Value	Participant demonstrated the performance indicator with little or no effectiveness; a great deal of formal training would be needed immediately; perhaps this person should seek other employment; would rank in the 0-49 <sup>th</sup> percentile of business personnel performing this performance indicator.



**BUSINESS FINANCE SERIES  
2021**

**JUDGE'S EVALUATION FORM**  
District Event #2 - VIRTUAL

Participant: \_\_\_\_\_

**INSTRUCTIONAL AREA:**  
Financial Analysis

ID Number: \_\_\_\_\_

Did the participant:

		Little/No Value	Below Expectations	Meets Expectations	Exceeds Expectations	Judged Score
<b>PERFORMANCE INDICATORS</b>						
1.	Describe common management accounting performance measures?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
2.	Explain the nature of capital investment?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
3.	Explain the impact of the cost of capital on capital investments?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
4.	Describe the need for financial information?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
5.	Draw conclusions based on information analysis?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
<b>21<sup>st</sup> CENTURY SKILLS</b>						
6.	Reason effectively and use systems thinking?	0-1	2-3	4	5-6	
7.	Make judgments and decisions, and solve problems?	0-1	2-3	4	5-6	
8.	Communicate clearly?	0-1	2-3	4	5-6	
9.	Show evidence of creativity?	0-1	2-3	4	5-6	
10.	Overall impression and responses to the judge's questions	0-1	2-3	4	5-6	
<b>TOTAL SCORE</b>						