



JUDGING INFORMATION PACKET

COMPETITIVE EVENTS PROGRAM

FINANCIAL STATEMENT ANALYSIS

Thank you for agreeing to share your time and knowledge with Collegiate DECA members at the International Career Development Conference (ICDC)!

As a judge you will sit across the table from Collegiate DECA's most talented members and evaluate their knowledge and skills they've developed all year. You provide the 'real world' expertise that sets our industry-validated competitive events program apart as you determine who will advance to finals or be named an international finalist.

ICDC would not be possible without your commitment. On behalf of all Collegiate DECA students and staff, thank you for serving as a competitive events judge!



CASE STUDY EVENTS | TEAMS

JUDGING INSTRUCTIONS

DECA's Competitive Events Program is aligned to industry-validated National Curriculum Standards in the career clusters of marketing, business management and administration, finance, and hospitality and tourism. The DECA members you will be judging have qualified from a series of competitions and represent the top performers from their state/province.

EVENT OVERVIEW

- The event you have agreed to judge includes one case study situation.
- You have been assigned to judge the case study in one section of this event.
- In your section, you will judge 10-15 participant teams, who are only competing against each other in the preliminary competition. The top performing teams from each section will advance to final competition.
- Each team will have 1 hour to analyze the situation, come up with recommendations, and develop a presentation. Participant teams will then meet with you for a 15-minute presentation.
- A list of five performance indicators specific to the scenario is included in the participant's instructions. These are distinct tasks the participants must accomplish during their presentation. The participants are given an additional four performance indicators that are based on 21st Century Skills. As a judge, you will evaluate each participant team's presentation according to these specific performance indicators, 21st Century Skills, and ability to answer questions..

YOUR ROLE AS A JUDGE

- Carefully review the case study and evaluation form, understanding your characterization as a judge. At this time you may want to develop questions to ask each team. When it is time for you to begin seeing the participants, they will be brought to your judging table one team at a time.
- When a participant team is brought to your judging table, the 15-minute presentation time will begin immediately after introductions.
- Following the participant team's presentation of their solution to the case study, you may ask clarifying questions related to their presentation. If you developed general questions based on the case study, please ask these same questions to all participant teams for consistency in scoring.
- Materials appropriate for the situation may be handed to you or left with you by the participants. Materials must be created by the participants using materials provided during the designated preparation period. Participants are permitted to use reference materials and visual aids.
- Close the interaction with the participant team by thanking them for their work. Please do not provide any feedback to the participant.
- Use pencil to complete the scantron form, recording the score in the box and blackening the correct score. You may need to adjust scores as you establish clear expectations for performance.
- If you have any questions, please consult your event director.
- All participants, regardless of race, color, religion, sex, national origin, age, disability, sexual orientation or socio-economic status, should be treated equally and respectfully.

TIPS AND SUGGESTIONS

- Perform a consistent judge characterization and maintain the same expectations of participant teams throughout to ensure an equitable competitive environment.
- Create a positive learning environment for participants.
- To assist with the determination of winners, please avoid giving ties.
- Participants scoring a combined total score of 70% or better on the competitive event components will earn a Certificate of Excellence.



2 PARTICIPANTS



1 CASE STUDY



PRESENTATION
TIME

*Thank you for
volunteering to evaluate
our emerging leaders and
entrepreneurs.*



CAREER CLUSTER
Finance and Accounting

CAREER PATHWAY
Corporate Finance

INSTRUCTIONAL AREA
Financial Analysis

FINANCIAL STATEMENT ANALYSIS EVENT

PARTICIPANT INSTRUCTIONS

- The event will be presented to you through your reading of the General Performance Indicators, Specific Performance Indicators and Case Study Situation. You will have up to 60 minutes to review this information and prepare your presentation. You may make notes to use during your presentation.
- You will have up to 15 minutes to make your presentation to the judge (you may have more than one judge).
- Turn in all of your notes and event materials when you have completed the event.

GENERAL PERFORMANCE INDICATORS

- Communications skills—the ability to exchange information and ideas with others through writing, speaking, reading or listening
- Analytical skills—the ability to derive facts from data, findings from facts, conclusions from findings and recommendations from conclusions
- Production skills—the ability to take a concept from an idea and make it real
- Priorities/time management—the ability to determine priorities and manage time commitments
- Economic competencies

SPECIFIC PERFORMANCE INDICATORS

1. Determine business liquidity.
2. Calculate activity/efficiency ratios.
3. Calculate debt/leverage ratios.
4. Calculate business profitability.
5. Interpret financial statements.

CASE STUDY SITUATION

You work as financial analysts for SILVERMAN SACHS. You have been provided the most recent financial statements for PIER 1 IMPORTS and have been asked to analyze the company's position.

PIER 1 IMPORTS was founded in 1970 and is headquartered in Fort Worth, Texas. It trades on the New York Stock Exchange (NYSE) as PIR. PIER 1 IMPORTS is a retailer of decorative home furnishings, furniture, gifts, and related items. The company sells merchandise through both retail outlets and ecommerce. As of February 28, 2015, PIER 1 operated 1,065 stores (81 in Canada and 984 in the US). Given the popularity of HGTV and home decorating in general, it is surprising to see that net income has fallen over the past three years.

YOUR CHALLENGE

Provide a thorough analysis of the liquidity, activity/efficiency, debt/leverage, and profitability position of PIER 1 IMPORTS. At a minimum, calculate the following ratios for as many times as possible given the data provided:

Liquidity

Current Ratio
Acid-Test (Quick) Ratio
Current Cash/Debt Coverage

Activity/Efficiency

Accounts Receivable Turnover Ratio
Asset Turnover Ratio
Inventory Turnover Ratio

Debt/Leverage

Debt/Total Equity
Times Interest Earned
Cash/Debt Coverage

Profitability

Profit Margin
Return on Assets
Return on Common Stockholder's Equity

You will present your findings to your manager in the manager's office, including interpreting your ratios and recommending whether or not you should include this stock in your client's portfolio.

Pier 1 Imports 2015					
LIQUIDITY	Current Ratio:	2/28/2015	3/1/2014		
	CA	654163	576506		
	CL	288813	265969		
	CR	2.27	2.17		
	Acid-Test (Quick) Ratio:	2/28/2015	3/1/2014		
	Cash	100064	126695		
	A/R	29405	24614		
	Quick Assets	129469	151309		
	CL	288813	265969		
	Acid-Test Ratio	0.45	0.57		
	Current Cash/Debt Coverage	2015			
	Net Operating Cash	65691			
	Avg Current Liab	277391			
		0.24		Note: Can only calculate one ratio	
ACTIVITY/EFFICIENCY	Accounts Receivable Turnover	2015			
	Net Sales	1865782			
	Avg Accounts Receiv	27009.5			
	Receivables TO	69.08		Note: Can only calculate one ratio	
	Asset Turnover				
	Net Sales	1865782			
	Avg Total Assets	856913.5			
	Asset TO	2.18		Note: Can only calculate one ratio	
	Inventory Turnover:	2015			
	Cost of Goods	1116076			
	Avg Inventory	428246.5			
	Inventory TO	2.61		Note: Can only calculate one ratio	
	DEBT/LEVERAGE	Debt/Total Equity:	2/28/2015	3/1/2014	
		Total Liabilities	572937	354191	
Total Equity		337267	449432		
Debt/Total Equity		1.70	0.79		
Times Interest Earned:		2015	2014	2013	
Operating Income		127271	175500	198986	
Interest Expense		10260	2572	743	
TIE		12.40	68.23	267.81	
Cash/Debt Coverage:					
Net Operating Cash		65691			
Avg Total Liab		463564			
		0.14		Note: Can only calculate one ratio	
PROFITABILITY		Profit Margin:	2015	2014	2013
		Net Income	75162	107531	129444
	Sales	1865782	1771743	1704885	
	Profit Margin	0.04	0.06	0.08	
	Return on Assets:	2015			
	Net Income	75162			
	Avg Total Assets	856913.5			
	Return on Assets	0.09		Note: Can only calculate one ratio	
	Return on Equity:	2015	2014	2013	
	Net Income	75162	107531	129444	
	Avg Equity	393349.50	493281.5	515387	
	Return on Equity	0.19	0.22	0.25	



FINANCIAL STATEMENT ANALYSIS

Participant: _____

JUDGE'S EVALUATION FORM
SAMPLE

Participant: _____

INSTRUCTIONAL AREA
Financial Analysis

I.D. Number: _____

Did the participant team:

		Little/No Value	Below Expectations	Meets Expectations	Exceeds Expectations	Judged Score
PERFORMANCE INDICATORS						
1.	Determine business liquidity?	0-1-2-3	4-5-6-7-8	9-10-11-12	13-14-15	
2.	Calculate activity/efficiency ratios?	0-1-2-3	4-5-6-7-8	9-10-11-12	13-14-15	
3.	Calculate debt/leverage ratios?	0-1-2-3	4-5-6-7-8	9-10-11-12	13-14-15	
4.	Calculate business profitability?	0-1-2-3	4-5-6-7-8	9-10-11-12	13-14-15	
5.	Interpret financial statements?	0-1-2-3	4-5-6-7-8	9-10-11-12	13-14-15	
PRESENTATION						
6.	Demonstrate clarity of expression?	0-1	2-3	4	5	
7.	Organize ideas?	0-1	2-3	4	5	
8.	Show evidence of mature judgment?	0-1	2-3	4	5	
9.	Overall performance: appropriate appearance, poise, confidence, presentation, technique and responses to judge's questions?	0-1-2	3-4-5	6-7-8	9-10	
TOTAL SCORE						