**Term Paper Guideline**

**FIN340: Working Capital Management**

The purpose of this term paper is to make bridge between the theoretical contents taught in this course with real world practice. The term report should be submitted in a group and each group should comprise of 3-5 members. Each group should pick a company which has last 5 years of Annual Reports (latest). **DON'T** select a company from service industry as the company will not have any inventory! To collect the Annual Reports you can check the company websites or the DSE library. After collecting the reports each of the group with assigned company is instructed to do the following parts.

**Part A:**

1. Give a brief introduction of the company.
2. Does the company execute any credit policy for the customers? If so, what is their policy?
3. What are the main sources of short-term working capital financing used by the company (Trade Credit, Accounts Payable, Notes payable etc)
4. Does the company have any investment in the marketable securities?

**Part B:**

1. Do a time series analysis of 5 years of relevant Liquidity Measures.
2. Do a time series analysis of 5 years of relevant Solvency Measures.
3. Do an overall summary from the results got from the previous two steps. If needed you can advise the areas of improvements for the company from the perspective of Working Capital Management.

**Part C:**

1. Calculate the NPV of the given company with the following information taken from part B – DSO, DPO, Sales and COGS. (If WACC is not given then assume it to be 10%)
2. Is there any cash discount currently offered by the company? If so, what is the percentage of cash discount currently offered? If not, then would you like the company to offer any? If they are already offering any then would you like them to change the discount? Base your decision from the results obtained from part B.

**General Requirements:**

* Each group needs to submit both the printed version (hard copy) and the soft copy of the report.
* Each group must show the calculation in MS Office Excel and attach the file in a CD or email along with the hard copy submission.
* Analysis should use graphs, charts as illustration.
* REMEMBER, proper interpretations will carry majority of your marks! Be very precise with your interpretation.

**Integrity Policy:**

* If any group found guilty with any kind of plagiarism, the group as a whole will get "0" and further steps would be taken according to the NSU plagiarism policy.
* If you have any complain regarding any of your group members you are advised to notify me as soon as possible and of course before submitting the group project.
* For late submission, you will be penalized with 10% for each day of late submission.

**Submission Deadline:** 1 week before final exam