

Sample Assignment ACCTLG1

In order to assess this Accounting Learning Goal students were required to submit a “Financial Statement Analysis Project”. This project consisted of finding and analyzing the 2014 annual reports of the pharmaceutical company AbbVie, and one of its competitors on the Internet. After analyzing these reports, students responded to a series of questions provided as assigned by the professor. These questions are outlined below.

Questions		Answers
Balance Sheet Analysis	Which financial statement would you use to assess Abbvie's financial position?	
	Select one ratio you would use to assess Abbvie's liquidity?	
	Select one ratio you would use to assess Abbvie's solvency?	
Income Statement Analysis	Which financial statement would you use to assess Abbvie's profitability?	
	If you have to select one ratio to assess Abbvie's profitability, which ratio would you select?	
Statement of Cash Flows Analysis	Which financial statement shows Abbvie's ability to generate cash flows?	
	In 2014, how much cash did Abbvie generate from its operations?	
	Were the cash flows generated from operations enough to pay for property and equipment in 2014?	
Notes/ Supporting Schedules Analysis	What inventory costing method does Abbvie use in 2014?	
	Summarize Abbvie's depreciation policy for property and equipment	
Ratio Analysis	Compute the liquidity ratio you identified in Part 1 for 2014 and 2013: 2014 2013	
	Compute the solvency ratio you identified in Part 1 for 2014 and 2013: 2014 2013	
	Compute the profitability ratio you identified in Part 2 for 2014 and 2013: 2014 2013	
Industry Comparison	Select one company as Abbvie's competitor	
	Compute the profitability ratio for Abbvie's competitor: 2014 2013	
	Comment on Abbvie's profitability for 2014	