

## XLRI Jamshedpur BM 2011-12

### Course: Financial Management I → Take Home Assignment

#### Overview:

You are to make periodical submissions for the topic(s) as given in next page regarding your company using the latest three completed financial years<sup>1</sup>. Each submission will range between 1 to 7 pages (depending on the topic). The first page of every submission will contain on top your roll number; your company; and the topic [make it simple and straightforward].<sup>2</sup>

The key to your assignment marks are – (a) what you compute and write<sup>3</sup>, and (b) how well you support your argument(s). For example, if your submission topic were on ‘Financial Statement Analysis (FSA)’, then firstly you will have to compute the financial ratios for the last 3-5 years. Then write relevant interpretations regarding the changes that have taken place in the company’s financial ratios/figures.<sup>4</sup>

CMIE PROWESS I-Cube<sup>5</sup>, ReportJunction.com, Bloomberg Database, SEBI Website, ISI Emerging Markets, & Site.Securities.com will be some of the best sources for getting the detailed balance sheet, profit & loss statement, cash flow statement, and share price figures of your company (even annual report).<sup>6</sup> One of the books (essential readings) in course outline could be a good place to look for computations. You can then make use of multiple sources in the library and the Internet. Use any information you have access to...just be sure to cite your sources. Plagiarism is enough grounds for failing.

#### Important Deadlines and Procedures:

*The assignment should be a word file only (unless stated otherwise). **Self/ Your class representatives will explain to you the process of submission.** Our teaching associate CA Vasudha Singhania, would take care of the work from this side. You might talk to Ms. Vasudha for any clarifications. **[Delays in submitting will lead to reduction of marks].***

The total assignment marks will be limited to 15. Also, in your quiz/mid/end term, questions worth 1-30 marks may come from these assignments. The random evaluation<sup>7</sup> of assignments would be conducted by me and will be kept confidential. I am available for consultations about the assignment in office, before or after class, on class days. I shall clarify more on evaluations in our first class.

<sup>1</sup> Typically, they will be the years ending on 31-March 2009, 31-March-2010, and 31-March-2011

<sup>2</sup> Please do not mention your name, my name, acknowledgements, etc.

<sup>3</sup> Even if you take a single line from some newspaper (or website or book) – you need to provide its reference as an endnote with page number (in case of website, complete link address).

<sup>4</sup> The more enthusiastic of you could also think of working out the relevant common-size and index-based financial statements of the company for the relevant years and even go further by looking at the numbers of peer companies.

<sup>5</sup> I think, XLRI subscribes to this one.

<sup>6</sup> Unfortunately, these databases once in a while may not work. **In such case only** – use alternate source(s) of getting this type of data and information exists at many places including company’s website, nseindia.com, bseindia.com, relevant stock exchange (in case of international firms – their periodical filings with the relevant stock exchanges), and Indiabulls.com. The Sources of Financial Information in the Course Outline lists a number of useful data sources.

<sup>7</sup> As mentioned in the class – each student will start with 10 marks for his assignment. For each wrong submission found in a student’s assignment – I will cut a maximum of 7 marks.

No	Assignment	Brief Details	Any Reference
1	Introduction	Provide (a) one page write-up of the company; (b) Present its significant non-financial performance indicators; and (c) identify three good peers/ comparisons to your firm. Add your comments/ observations in the end.	1. RWJK 8/e Chap 1 2. Hindu Business Line Sunday 3. Business Standard Monday
2	Valuation of Shares	Find the intrinsic value of your firm using appropriate valuation model. Provide reasoning and comments (if you were to make a buy/sell)	1. RWJK 8/e Chap 5 2. Prasanna Chandra (PC) Ch 8 & 32
3	Market Efficiency	Provide market efficiency details of your company using 2-years of share price movements (including correlation index, price-volume charts and graphs)	1. RWJK 8/e Chap 13 2. BM Ch 13 (especially Fig 13.2) 3. PC Ch 16, 17 & 18
4	Raising Corporate Finance	Give details of how, when, why, etc of your company's long-term finance (example – details of its rights issue, IPO, debentures, etc and their influence on share capital and capital employed)	1. RWJK 8/e Chap 13 and 19 2. BM Ch 14 & 15 3. PC Ch 16, 17 & 18
5	Risk & Return	Using CAPM model calculate the levered and unlevered beta, correlation coefficient values for your firm (stock data being used should be of about 1 year time frame – example Jan. 2001 to Dec. 2001)	1. RWJK 8/e Chap 10 2. BM Ch 7 & 8 3. PC Ch 9
6	Cost of Capital, Economic Value Added	Provide the firms over all cost of capital. It will involve calculating its cost of equity (using three methods), cost of debt, and weighted average cost of capital. Finally find out the economic value added by the firm during the last 2 years.	1. RWJK 8/e Chap 12 2. BM Ch 9 3. PC Ch 14
7	Financial Statement Analysis	Calculate all the possible ratios of the firms. Find out the short-term solvency, long-term solvency, activity, and profitability position of the firm? Comment of the changes	1. RWJK 8/e Chap 3 2. BM Ch 29 3. PC Ch 4 & 6
8	Leverage and Capital Structure	What is your company's capital structure? Are there any changes during the last 2 years? What is its financial and operating leverage (use a 10% increase and decrease in its last year sales)? Comment on the change in leverage levels in the last 2 years	1. RWJK 8/e Chap 15 and 16 2. BM Ch 17, 18, & 19 3. PC Ch 5, 19 & 20
9	Dividend Policy	What is the current dividend policy of the company? Are there any changes with its past policy? Are there any differences with its competitors? Comment briefly	1. RWJK 8/e Chap 18 2. BM Ch 16 3. PC Ch 21 & 22
10	Bond & Preference Shares Valuation	Current yields/valuation of debentures, bonds, preference shares of your company. In case there are no listed preference shares/debentures then mention the interest rates at which the companies are having their loans at.	1. RWJK 8/e Chap 5 and 20 2. BM Ch 23, 24, & 25 3. PC Ch 7
11	Statement of Cash Flows	Do the Analysis of the company's cash flows and give your assessment (as done in class)	RWJK 8/e Chap 2
12	Time Value of Money	Based on Roll Number of the Student	Refer the TVM Chapter in any standard text book

A few more will be added – as our sessions go on ...

### Basis of Allocation of Companies:

I have picked up a list of popular domestic companies given by CMIE (part of BSE 500). Few smaller players were included to bring in some variety.

Sid	Student Name	Company Name	Industry
B11001	Aakash Maheshwari	3I Infotech Limited	IT Consulting & Software
B11002	Abhinay Kumar Jain	A B G Shipyard Limited	Commercial Vehicles
B11003	Abhisek M Jain	Adani Enterprises Limited	Comm.Trading & Distribution

B11004	Ahmed Rifayee V J	Adani Power Limited	Electric Utilities
B11005	Akshaya S (Ms)	Adhunik Metaliks Limited	Iron & Steel/Interm.Products
B11006	Amit Bhardwaj	Aditya Birla Nuvo Limited	Diversified
B11007	Amit Purohit	Akzo Nobel India Limited	Furniture,Furnishing,Paints
B11008	Ankit Gupta	Alstom Projects India Limited	Heavy Electrical Equipment
B11009	Ankit Mundra	Amara Raja Batteries Limited	Auto Parts & Equipment
B11010	Anwasha De (Ms)	Anant Raj Industries Limited	Realty
B11011	Arjya Nathvani	Ansal Properties & Infrastructure	Realty
B11012	Ashish Khandelwal	Apollo Hospitals Enterprise Limited	Healthcare Facilities
B11013	Ashwinder S Matharu	Apollo Tyres Limited	Auto Tyres & Rubber Products
B11014	Barath Balachandran	Aptech Limited	IT Training Services
B11015	Chandranshu Mishra	Aqua Logistics Limited	Transportation - Logistics
B11016	Debraj Nasker	Arvind Limited	Textiles
B11017	Deepayan Mohanty	Asahi India Glass Limited	Auto Parts & Equipment
B11018	Dhruv Sethi	Ashok Leyland Limited	Commercial vehicles
B11019	Gaurav Agrawal	Asian Paints Limited	Furniture,Furnishing,Paints
B11020	Gurneet Kaur Bhatia	Aurobindo Pharma Limited	Pharmaceuticals
B11021	Himanshu Pareek	B A S F India Limited	Specialty Chemicals
B11022	Ish Pahuja	B E M L Limited	Commercial Vehicles
B11023	Jishnu Chakraborty	B G R Energy Systems Limited	Heavy Electrical Equipment
B11024	Jitendra Salecha	B L Kashyap & Sons Limited	Realty
B11025	K V Laxmi Priyanka	Bajaj Auto Limited	Two & Three Wheelers
B11026	Kanhaiya Agarwal	Bajaj Corp Limited	Personal Products
B11027	Koustubh Chattopadhyaya	Bajaj Electricals Limited	Household Appliances
B11028	Kunal Negi	Balkrishna Industries Limited	Auto Tyres & Rubber Products
B11029	Lourdh Prince Pazil	Balrampur Chini Mills Limited	Sugar
B11030	Mario Ashwin Fernando	Bayer Cropscience Limited	Agrochemicals
B11031	Mayank Raina	Berger Paints India Limited	Furniture,Furnishing,Paints
B11032	Mohammed A Ali	Bharat Bijlee Limited	Other Elect.Equip./Prod.
B11033	Mrutyunjaya Sandhibigr	Bharat Electronics Limited	Defence
B11034	Nikhil Mahajan	Bharat Forge Limited	Other Industrial Products
B11035	Nikhil Mehta	Bharat Heavy Electricals Limited	Heavy Electrical Equipment
B11036	Paresh Vishal	Bharat Petroleum Corpn. Limited	Refineries/ Petro-Products
B11037	Pranay Kumar	Bharti Airtel Limited	Telecommunication Services
B11038	Pratik Kumar Sahu	Bhushan Steel Limited	Iron & Steel
B11039	Pravallika Bommareddy	Biocon Limited	Biotechnology
B11040	Punit Badal	Birla Corporation Limited	Cement
B11041	Rahul Somani	Blue Star Limited	Consumer Electronics
B11042	Ravi Ramnath	Bombay Dyeing & Mfg. Co. Limited	Textiles
B11043	Rishabh Bansal	Bombay Rayon Fashions Limited	Textiles
B11044	Romil Vijayavergia	Brigade Enterprises Limited	Realty
B11045	Sahir Hasnain	Britannia Industries Limited	Packaged Foods
B11046	Sakshi Rastogi (Ms)	C E S C Limited	Electric Utilities
B11047	Sandeep H S	C M C Limited	IT Consulting & Software
B11048	Sangeeta Misra (Ms)	Cadila Healthcare Limited	Pharmaceuticals
B11049	Shashwat Nandan	Cairn India Limited	Exploration & Production
B11050	Sheshank Verma	Carborundum Universal Limited	Other Industrial Products
B11051	Shipra Asija (Ms)	Century Textiles & Inds. Limited	Cement

B11052	Shivanshu Dixit	Chambal Fertilisers & Chemicals	Fertilisers
B11053	Shreyansh Upadhyay	Chennai Petroleum Corpn. Limited	Refinery
B11054	Sudipto Bhattacharya	Cipla Limited	Drugs & Pharmaceuticals
B11055	Sunil Charugulla	Colgate-Palmolive (India) Limited	Personal Products
B11056	Swati (Ms)	Consolidated Construction Consort	Realty
B11057	Tarundeep Singh Kumar	Container Corpn. Of India Limited	Transport Related Services
B11058	Ulaganath M	Coromandel International Limited	Fertilisers
B11059	Varun Paruchuri	Cox & Kings Limited	Tourism
B11060	Vasudha Shrivastava	Crompton Greaves Limited	Heavy Electrical Equipment
B11061	Vipin V	Cummins India Limited	Industrial Machinery
FB11001	Akshay Bhat	D B Corp Limited	Publishing
FB11002	Rajib Sarkar	D B Realty Limited	Realty
B11062	Abhinav Bhandari	D L F Limited	Realty
B11063	Abhineet Jain	Dabur India Limited	Personal Products
B11064	Abhishek Ram	Deccan Chronicle Holdings Limited	Publishing
B11065	Ajay Rajan	Deepak Fertilisers & Petrochemical	Commodity Chemicals
B11066	Amit Jindal	Dewan Housing Finance Corpn.	Housing Finance
B11067	Anjali Garg (Ms)	Dish T V India Limited	Broadcasting & Cable TV
B11068	Ankit Bhatnagar	Dishman Pharmaceutical Chemical	Pharmaceuticals
B11069	Ankit Jain	Divis Laboratories Limited	Pharmaceuticals
B11070	Anshuman Prakash	Dr. Reddy'S Laboratories Limited	Pharmaceuticals
B11071	Arpit Gupta	Dredging Corpn. Of India Limited	Shipping
B11072	Ashish Srivastava	E I D-Parry (India) Limited	Sugar
B11073	Atishay Jain	E I H Limited	Hotels
B11074	Bhanu Prakash Reddy G	Edelweiss Capital Limited	Other Financial Services
B11075	Chinmay Kamat	Educomp Solutions Limited	Education
B11076	Debroop Sengupta	Elecon Engineering Co. Limited	Industrial machinery
B11077	Dheeraj Arora	Electrosteel Castings Limited	Construction & Engineering
B11078	Gaurav Poddar	Emami Limited	Personal Products
B11079	Gitanjali Bagga (Ms)	Engineers India Limited	Consulting Services
B11080	Hari Narayanan N	Era Infra Engg. Limited	Construction & Engineering
B11081	Husain Jafar	Essar Oil Limited	Integrated Oil & Gas
B11082	Janani V (Ms)	Everest Kanto Cylinder Limited	Other Industrial Products
B11083	Jigar Parekh	Everonn Education Limited	Education
B11084	Jitendra Bansal	Exide Industries Limited	Auto Parts & Equipment
B11085	Kalyan Vemparala	F D C Limited	Pharmaceuticals
B11086	Kanishka Baronia	Financial Technologies (India)	IT Consulting & Software
B11087	Krati Kulshreshtha (Ms)	Finolex Cables Limited	Other Elect.Equip./Prod.
B11088	Kshitiz Aggarwal	Finolex Industries Limited	Plastic Products
B11089	Kunal Singh	Firstsource Solutions Limited	BPO/KPO
B11090	Manik Raina	Fortis Healthcare (India) Limited	Healthcare Facilities
B11091	Mayank Anand Jha	Fresenius Kabi Oncology Limited	Pharmaceuticals
B11092	Mayur Chandak	G A I L (India) Limited	Utilities : Non- Elec.
B11093	Mohd Sharib Khan	G M R Infrastructure Limited	Electric Utilities
B11094	Nath Vivek Jayachandrn	G V K Power & Infrastructure	Electric Utilities
B11095	Nikhil Kumar Pandey	Gammon India Limited	Construction & Engineering
B11096	Pankaj Dhiman	Gateway Distriparks Limited	Transportation - Logistics
B11097	Piyush Pandey	Gitanjali Gems Limited	Other Apparels & Accessories

B11098	Prashant K Sahni	Glenmark Pharmaceuticals Limited	Pharmaceuticals
B11099	Pratyush Raj	Glodyne Technoserve Limited	IT Consulting & Software
B11100	Priyanka Kuhar (Ms)	Godrej Consumer Products Limited	Personal Products
B11101	Rahul Aditya	Godrej Industries Limited	Commodity Chemicals
B11102	Raj Kumar Agrawal	Godrej Properties Limited	Realty
B11103	Remith Poulose	Graphite India Limited	Other Industrial Goods
B11104	Rohit Suri	Grasim Industries Limited	Textiles
B11105	Sahil Chopra	Great Eastern Shipping Co. Limited	Shipping
B11106	Samriddhi Malhotra	Great Offshore Limited	Oil Equipment & Services
B11107	Sanchalak Basu	Greaves Cotton Limited	Industrial Machinery
B11108	Sannidhya Prasad	Gujarat Alkalies & Chemicals	Commodity Chemicals
B11109	Shaurya Jeet Singh	Gujarat Industries Power Co.	Electric Utilities
B11110	Shibani Das (Ms)	Gujarat N R E Coke Limited	Coal
B11111	Shiv Shankar	Gujarat Narmada Valley Fertilizers	Fertilisers
B11112	Shivani Jain (Ms)	Gujarat State Petronet Limited	Utilities : Non- Elec.
B11113	Shivendra Sharma	Gulf Oil Corpn. Limited	Oil Marketing & Distribution
B11114	Sourabh Chowdhury	H E G Limited	Other Industrial Goods
B11115	Sumeet Tayal	H T Media Limited	Publishing
B11117	Tanushree Sonthalia	Hathway Cable & Datacom Limited	Broadcasting & Cable TV
B11118	Tushar N Mansukhani	Hatsun Agro Product Limited	Packaged Foods
B11119	V Akshay	Havells India Limited	Other Elect.Equip./Prod.
B11120	Vineet Chauhan	Linc Pen & Plastics Limited	Non-Durable Household Prod.
B11121	Vrajesh Shah	Mukand Engineers Limited	Construction & Engineering
B11122	Yuvraj Singh	Sathavahana Ispat Limited	Iron & Steel/Interm.Products
FB11004	Vivek Kumar	Vishnu Chemicals Limited	Commodity Chemicals

### Some Questions:

1. Is there an incentive if the assignment submission is larger?

No. Length does not equal completeness. As a general rule, including information, analysis and/ or discussion that is correct but which doesn't help the reader understand the topic will hurt your grade.

2. When should I cite a source in the text of the paper?

If it is not your original idea/analysis or if you didn't discover the information yourself, cite it.

3. Does this assignment need a basic background of accounting?

No, it does not. It just needs your time and efforts to understand the industry and company you have been allotted. Also, this question should never come from XLRI BM students.