

企业决策模拟

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1. REQUIRED MATERIALS:

- a. Blue book (8.5 x 11) for written case examination.
- b. **Crafting & Executing Strategy, Concepts and Cases, 19th** Edition. A.A. Thompson, M. A. Peteraf, J.E. Gamble, and A.J. Strickland; McGraw-Hill Irwin. 2014. ISBN: 978-0-07-802950-9
- c. ***The Business Policy Game, An International Strategy Simulation: Players Manual.*** Cotter & Fritzsche, **6th Edition**, 2010.
- d. License to play Business Policy Game (BPG), must be purchased by each team by **Sept. 1** directly from the BPG website for \$100 per team. (If a license is not secured by **Sept. 1**, team members will be unable to complete the assignments necessary to pass the course.)

2. STUDENT LEARNING OBJECTIVES

Develop a capability to perform and appreciate the decision-making processes in a firm including identifying, crafting, evaluating and implementing a global strategy. This overall purpose is achieved by requiring students to:

- a) Choose objectives, analyze business problems and develop a framework for making decisions to reach those objectives.
- b) Integrate areas of functional knowledge learned in previous courses.
- c) Experience the processes and functions performed by executives in meeting objectives and coping with an uncertain environment through a computer simulation game and business case analysis.

3. COURSE CONTENT:

Through the use of a simulation game and business case analysis, the course demonstrates the integration of accounting, finance, economics, marketing, production, quantitative analysis and human resource management. As a major focus of the course, students work in teams to identify and resolve problems, and implement plans.

The course uses a computer simulation management game to provide students with an experience in business-decision making under uncertainty. Students develop and implement strategies to operate an ongoing firm in an international environment. Each firm competes in a consumer goods industry against several other firms. Students are responsible for decisions related to product price, quality, production, aggregate planning, marketing and financing. Students are expected to utilize knowledge gained in the business core courses and to apply the appropriate techniques and tools. Students will be dealing with issues related to (but not limited to) the following:

Accounting:	Application and interpretation of accounting data.
Finance:	Ratio analysis, financial statements, and financial planning.
Marketing:	Product line management, strategies of promotion, advertising and pricing, and analysis of the marketing environment.
Operations Management:	Aggregate production planning and production standards for quality, cost and quantity control.
Economics & Statistics:	Statistical analysis and quantitative models including forecasting methods, and the economic environment.
Management:	Planning, organization, motivation, and communication.
Information Systems:	Forecasting and financial simulation models.

4. PERSONAL COMPUTER USE:

You may use any of the computer labs on campus for preparing written reports, building financial models and making forecasts. Simply show your valid student identification card.

5. GRADING:

POINTS

Performance on Computer Simulation Game	35
Two-Year Plan	20
Final Report and Condition of Firm	20
Written Exam on one Case	20
Policy Game Quiz	<u>5</u>
	100

ADA Statement: Reasonable accommodation will be provided to any student with a disability who is registered with the office of students with disabilities and requests needed accommodation.

6. ASSIGNMENT SCHEDULE:

<u>MEETING</u>	<u>TOPIC</u>	<u>READING ASSIGNMENT</u>
1	Course Orientation, Grouping into Teams Lecture on Management Game and Trial Decision	<i>Player's Manual:</i> all chapters
2	Lecture on Forecasting & Production Management Lecture on Finance/Accounting Business Policy Game Quiz (bring Scantron)	Mgmt Text: Ch.1-6
3	Lecture on Strategy Lecture on How to Analyze a Case Class discussion of Costco (Case #2)	Mgmt Text: Ch.7-12
4	Written Exam on <u>one</u> of three cases randomly selected by your professor; therefore, you must be prepared to write on all three cases (Gap, Google, Skywest). Bring a Bluebook (8.5 x 11).	
8	Final Written Report and Final Oral Presentation (<u>required</u> to use PowerPoint presentation software) to "Board of Directors" by each team.	

7. READING ASSIGNMENTS:

Reading assignments in the *Essentials of Strategic Management* text provide a foundation for analyzing cases, selecting objectives/strategy in the computer simulation game, and participating in class discussions. Students should become thoroughly familiar with *The Business Policy Game* and be prepared to discuss the game during the first week.

8. BUSINESS CASES and WRITTEN CASE EXAM:

All students are required to analyze four cases. The **Costco** case will be discussed in class during the third week. Students are expected analyzed the **Costco** case prior to class. Students should use this opportunity, and the lecture on "How to Analyze a Case", to prepare for the Written Exam.

During the fifth week, three other cases will be used in a Written Exam. At the start of the Written Exam, the professor will randomly assign one of the three cases to each student - who will then write an analysis of the one case. The student assumes that he/she is a consultant with the goal of finding a course of action leading to the firm's long-term benefit - after making a thorough analysis of the firm's situation in world markets. For this case analysis and Written Exam, students are only permitted to use the material in the case and perform their case analysis based on the time frame presented in the case. This is an individual assignment, earning each student an individual grade.

9. SUGGESTIONS FOR CASE ANALYSIS AND DISCUSSION:

1. Read Website:
http://highered.mcgraw-hill.com/sites/dl/free/0073381241/536015/Guide_to_Case_Analysis.pdf
2. Use facts and inferences to identify problems or weaknesses and to assess their importance. Search for the underlying causes of the problem.
3. Perform a financial analysis, including analyzing ratios to a) evaluate profits in relation to sales and assets, b) appraise the capital structure, and, c) determine the firm's ability to raise additional capital.
4. In reviewing the firm's strategies and tactics, ask why actions were taken. The key to any analysis is WHY.
5. List several alternative solutions or strategies. Consider the implications of foreign competition, foreign sources of supply, and the firm's position in world markets. Make the best choice for the circumstances.
6. Recommend processes and procedures to implement the proposed solution by showing how it will work, how it will be paid for, and who will be affected. In other words, the solution must be financially, physically, and humanly possible.

10. THE BUSINESS POLICY GAME (6th Edition):

The computer simulation "Business Policy Game - 6th Edition" (BPG) allows students to apply previously learned concepts, skills and techniques in an international competitive and goal-oriented environment. Successful management of a firm requires a balanced emphasis among all functional areas. The game is a dynamic-interactive simulation. The effectiveness of team decisions rests both on the decisions' theoretical correctness and on the competitive decisions of other teams. We shall use the "flash drive" option for saving our decisions.

The Business Policy Game (BPG) website is at: <http://www.software.bpgsim.biz> and you must enter the User Name: *player* and the Password: *swb30oss* to go to the "Player's Area". (Note that all of the characters in the user name and password are lower case.) From the Player's Area of the website, you can download the Player's Program (which includes spreadsheet templates), download a non-printable version of the Player's Manual, and purchase the License needed to play the Game. After teams have been formed and students have heard the lecture on the management game, each team must purchase a game license (\$100.00 per team) from this website; you must enter your World number and Team number to get the correct license.

There are two steps to purchasing a license for your team from the Business Policy Game's secure website:

1. You must enter your credit card information, and you must provide your own email address for confirmation of the credit card transaction.
2. When it asks you where to send the actual license, you must have the license sent directly to Professor Kwong at: kkwong2@calstatela.edu. This will insure that we get an uncorrupted license file.

Without valid licenses for every team, the game stops after Year 3, so getting licenses by **Sept. 1** is critical.

11. ACADEMIC HONESTY

According to our policy, ‘cheating is defined as the act of obtaining or attempting to obtain credit for academic work through the use of any dishonest, deceptive, or fraudulent means’. In the context of team projects, this includes:

- copying others’ work, in whole or in part, and submitting it as your own;
- submitting work obtained from a commercial service;
- claiming a share of a team report, toward which insufficient contribution was made.

This course provides an opportunity for each student to develop and hone critical skills needed for success in business. Cheating makes a mockery of your participation in the course. It is the responsibility of all team members to maintain the integrity of the team. If you have specific questions or concerns about what actions are appropriate, ask your instructor for guidance.

GRADES ARE CALCULATED AS FOLLOWS:

A ≥ 92%	80 > C+ ≥ 78%
92 > A- ≥ 90%	78 ≥ C ≥ 72%
90 > B+ ≥ 88%	72 > C- ≥ 70%
88 > B ≥ 82%	70 > D ≥ 60%
82 > B- ≥ 80%	F ≤ 60%

12. CRITERIA WEIGHTING FACTORS:

Each firm must submit Weighting Factors for the criteria used to measure successful performance in the simulation game. Values for Preliminary Weighting Factors are due to your professor or graduate assistant as indicated on Page 7 of this Syllabus.

Twenty (20) points or Weighting Factors must be distributed among the six criteria described below, subject to the stipulations given.

RETURN ON ASSETS (ROA) = $\frac{\text{Average Net Income Years 3 thru 6}}{\text{Average Year End Assets Years 3 thru 6}}$

RETURN ON EQUITY (ROE) = $\frac{\text{Average Net Income Years 3 thru 6}}{\text{Average Year End Equity Years 3 thru 6}}$
 At least **5 points** must be given to the combination of ROA and ROE.

MARKET SHARE (MS) = $\frac{\text{Total Company Dollar Sales Years 3 thru 6}}{\text{Total Industry Dollar Sales Years 3 thru 6}}$

STOCK PRICE (SP) = Avg. Year End Stock Price Years 3 thru 6
 At least **3 points** must be assigned Stock Price (SP).

UNIT PRODUCTION COST (UPC) = Avg. Unit Prod. Cost Years 3 thru 6

TOTAL NET INCOME (TNI) = Sum of Net Income for Years 3 thru 6
 At least **2 points** must be assigned to Total Net Income (TNI).

Other Rules:

- Except as noted above, 0 points may be assigned to a factor.
- No fractional points may be assigned.

- End game strategies are forbidden: teams that play endgame strategies will be penalized on their final score.

13. TEAM GAME SCORES:

Final scores for each team are calculated at the end of Year 6 based on actual results in the six performance criteria and the weights assigned by each team. The highest possible overall score is 100 if the same team finishes first in every measure of performance. The lowest team will normally be in the range of 50 to 60. Final team scores will be provided at the end of the game.

For ROA, ROE, MS, SP, and TNI the following formula is used for calculating the results:

$$V = (M - [(L1 + L2)/2]) * (40 / (H1 - [(L1 + L2) / 2])) + 60$$

For UPC: $V = (M - [(H1 + H2)/2]) * (40 / (L1 - [(H1 + H2) / 2])) + 60$

Where:

- M = Criteria Measurement for your Team
- L1 = Lowest Criteria Measurement for Industry
- L2 = Second Lowest Criteria Measurement for Industry
- H1 = Highest Criteria Measurement for Industry
- H2 = Second Highest Criteria Measurement for Industry
- V = Criteria Value

14. GAME DECISION SCHEDULE:

All decisions are due by **6:00 PM** on decision due dates. Upload your Decision File to the BPG Game Server. You can download the game results from the BPG Game Server by 9:00 PM on the same day.

<u>WEEK</u>	<u>DAY</u>	<u>DATE</u>	<u>ACTIVITY</u>
1	Sat	08/31	Year 3/Quarter 1 (First Game Decision) Year 3/Quarter 2
2	Sun	09/01	Year 3/Quarter 3 Year 3/Quarter 4
3	Sat	09/07	Year 4/Quarter 1 <i>Preliminary weighting factors</i> Year 4/Quarter 2
4	Sun	09/08	Year 4/Quarter 3 Year 4/Quarter 4
5	Sat	09/14	Year 5/Quarter 1 <i>Two Year Plan/Final weighting factors</i> Year 5/Quarter 2
6	Sun	09/15	Year 5/Quarter 3 Year 5/Quarter 4

7	Sat	09/21	Year 6/Quarter 1 Year 6/Quarter 2
8	Sun	09/22	Year 6/Quarter 3 Year 6/Quarter 4
9	Sun	09/29	<i>Final Report and Presentation (using PowerPoint presentation software) during the scheduled Final Exam period.</i>

15. TEAM MEMBER EVALUATION:

Team members evaluate each other's contribution (including their own) to the team effort at the final meeting after the Final Report has been presented. Each team member's individual share of the total points earned by the team is computed by multiplying the team scores for the Game, Two-Year Plan, and Final Report by the peer rating for individual performance. Your professor will give further instructions and provide forms for this evaluation.

16. INSTRUCTIONS FOR COMPUTER SIMULATION GAME (INTERNET INTEGRATED MODE):

1. Run or Download the Tutorial from the BPG site: <http://software.bpgsim.biz> (ID: *player*, password: *swb30oss*).
2. Download the Player's program (6.1.2) from the BPG site. Install the Player's program in your PC computer with default selections. (Note: MacBook is not supported from BPG).
3. Open the initial email from the BPG Game Administrator (or from a flash drive), save the Co_WC.zip file to Downloads folder. (W = World #, C = Company #).
4. Run the BPG 6 Player's Program. Use SETUP tab to choose the INTERNET option. Choose OK option to continue, choose YES option to locate startup files for your competition. Choose Co_WC.zip from DOWNLOADS folder, click OK to continue.
(C:/Documents and Settings/user_name/downloads/Co_WC.zip. For example, Co_142.zip is the data file for World 14 Company 2.)
5. Use the DOWNLOAD tab to download your initial simulation results from the BPG game server (Year 2 Quarter 4).
6. Use the VIEW tab to view your simulation results. Use the QUARTER option to choose the appropriate Quarter to view and/or print simulation results.
7. Use NEW tab to make new decisions, use SAVE to save your decision inputs and upload to the game server (For Year 3 Quarter 1 to Year 6 Quarter 4). Upload is under the Tools Menu. You can revise your decision inputs using the CHANGE tab, use the SAVE to save your revised decision inputs and upload to the game server.
8. Use the DOWNLOAD tab to download your simulation results from the BPG game server (For Year 3 Quarter 1 to Year 6 Quarter 4).
9. After your team purchases the Team License, open the license email from the BPG Game Administrator and save the BPGLic.WC file to Downloads folder.

(W = World #, C = Company #).

10. Each class will have its own **world number**, which must be used on all input.
11. The email addresses that work well with the game servers are calstatela.edu, yahoo.com and gmail.com. Each team should provide an email address to your professor.
12. General Game Overview:
 - a) Each class is a separate World which operates independently of the other Worlds in the other classes. The teams in each class (World) are companies, which compete against each other to manufacture and sell a consumer durable good with a wholesale price of about \$10.00.
 - b) For purposes of the game, all products are assumed to be the same and are in direct competition with each other. Each team establishes a strategy (explained in its Two-Year Plan) and then tries to reach its objectives in the competitive environment of its World.
 - c) To indicate its priorities, each team will assign values to the six Criteria Weighting Factors (ROA, ROE, MS, SP, UPC, and TNI) defined on Page 6 of this Syllabus. Your simulation game grade will be determined by how well your team does against the other teams in your World - based on the priorities your team chooses in the six Criteria Weighting Factors.
 - d) Teams will submit inputs using the upload option for Years 3 - 6 where each input covers one Quarter of a Year of operation. See Page 7 of this Syllabus for due dates for the decisions. The game covers six simulated years. Years 1 and 2 are past, and historical data for these years are downloaded from the BPG game server.
 - e) The game has four geographical areas (Areas 1 - 4) covering two countries as described in Chapter 3 of the *Player's Manual*, and your strategy may vary from area-to-area. The first country has three areas and is called Merica. The other country may be one of the following: Nystock (Eastern Europe), Pandau (Asia), or Sereno (located just south of Merica). The home area (and location of the factory) for each company is as follows:
 - i. Area 1: Eastern Merica - Teams 1 and 4
 - ii. Area 2: Southern Merica - Teams 2 and 5
 - iii. Area 3: Western Merica - Teams 3 and 6
 - iv. Area 4: Nystock/Pandau/Sereno - No Teams
13. Game Inputs and Outputs:
 - a) We use the Windows version of the game. During Week 1, each team will receive its email (or a flash drive) which must be used to initialize the game decision. (Excel templates of the worksheets may be downloaded from the Business Policy Game website.)
 - b) For each decision, first fill in the Decision Form shown on Page 25 as described in Chapter 2 in the *Player's Manual*. The numbers you choose will be based on the strategy you are using for running your company. Then, use the Player's Program downloaded onto your computer to enter these inputs from your Decision Form and upload to the game server.
 - c) It is critical to get your inputs correct, since the game will not be rerun if you make an input mistake. Have one person check what another person has done. The Player's Program contains a menu-driven input program, which is user-friendly and provides HELP. The <F1> function key provides on-line context specific help.
 - d) The *Player's Manual* is your rulebook for the game, and it contains more answers than any Professor or Assistant can give you. Study the *Player's Manual* and reread it often, since you will continue to pick up new clues each time you study it. The game is so complex that you should not expect your Professor or Assistant to always be able to answer your questions. When in doubt, rely on the *Player's Manual*.

- e) **REMINDERS:** A common error is to forget that new models do not officially go on sale until one quarter AFTER the quarter in which production starts. Hence, the marketing effect of the new model does not become apparent until the quarter in which it goes on sale. If you introduce a new model, do not change your prices until the new model goes on sale (which is the quarter after production is started). The explanation is on pages 30 - 32 of the *Player's Manual*. Features and quality for each area may only be changed when a new model is introduced.
- f) Using the “Research” pull-down menu at the top of the decision screen, you may purchase Market Research reports, and you may select any of five separate reports. A summary of variables is on Pages 51 - 53, and a summary of relationships is on Pages 111 - 112.

17. TWO-YEAR PLAN (For Years 5 and 6):

Each team will write a Two-Year Plan for Year 5/Quarter 1 through Year 6/Quarter 4. It will be 15-40 pages, double spaced, plus exhibits. Include seven sections and use the following format:

Title Page - Professor's name, World number, Team number, group members, date, and company name.

Table of Contents - Indicate page numbers for each section, and provide the location and title of all exhibits. If you add sections or an Appendix, include them in the Table of Contents.

Number each page, including the Appendix.

- 1) INTRODUCTION – Provide an overview of the plan and describe the company.
- 2) ORGANIZATION - Describe the organizational structure and job assignments. Include an organization chart showing responsibility of team members. Do NOT include fictitious resumes.
- 3) OBJECTIVES & INDUSTRY ANALYSIS
 - a) Provide graphs showing the performance of each company in the industry over the past 8 quarters for \$ sales, net income, ROA, ROE, and stock price. Discuss overall trends and the performance of your company relative to industry averages for each of the above indicators.
 - b) Show both Preliminary and Final Weighting Factors. Explain why you selected these weights and explain any changes between the Preliminary and Final Weights.
 - c) For each of the Six Weighting Factors, provide quantified financial objectives for Years 5-6. State “how much” and “when” for each objective so that the results for Years 5-6 can be measured unambiguously. For example: Net Income: \$5,000,000 for Year 5 and \$8,000,000 for Year 6; Stock Price \$15.00 at the end of Year 5 and \$25.00 at the end of Year 6.)
- 4) STRATEGIES – State the mission and broad strategies for your firm. Discuss the functional strategies for marketing, operations, and finance. Marketing strategies include price, advertising, salary, commission, dividends, hiring. Financial strategies include dividends, CDs, debt position. Operations includes R&D, training, new product introduction, quality level, and assumptions behind the production plan (overtime, second shift, number of lines, safety stock). An effective strategy is quantified and guides decision-making. Discuss decision-making models or processes used by your team members to make decisions.
- 5) SALES FORECAST – Provide a quarterly sales forecast in units and dollars for the entire industry and for your company for Year 5 and Year 6, by quarter and with the yearly totals. Include forecasts by the four areas as well as total sales. Include a Summary Chart that shows the consolidated forecasts in both units and dollars for the industry and for your company. Describe how the forecasts are computed and outline all the model equations used. Discuss your choice of the forecasting model. Present the regression results from estimating the forecasting model as exhibits. Discuss decision-making models or processes used by your team members to make decisions. Show when you plan to introduce new models.

Note: This forecast should be completed immediately after you receive the results from Year 4 Quarter 4. Do not revise or replace your forecasts with actual results from Year 5.

6) PRODUCTION PLAN- Provide a quantitative quarterly production plan for each of your factories for Year 5 and Year 6. Provide a summary consolidated production plan (showing total units per quarter) in a table in the body of your text. Also include a table, which shows changes in plant capacity (lines, shifts, overtime) each quarter.

7) FINANCIAL STATEMENTS

- a. Proforma Assumptions: At the beginning of this section, state each assumption used in calculating your proformas. For example: Advertising = 1% of quarterly sales; Dividends = \$.05 per share every quarter. These assumptions should be the same as the assumptions in the Strategy section. Do NOT list the assumptions or equations common to all companies that are listed in the BPG *Player's Manual*.
- b. Income Statements, Balance Sheets, Cash Flow Statements: Provide quarterly statements with annual totals covering Years 3 through 6, both consolidated and by geographical area. The Year 3 and 4 statements will show actuals, while Years 5 and 6 will be pro-forma. Arrange statements in a logical order and explain to the reader how they are organized. You are required to provide the following:
Income Statements: consolidated quarterly income statements with annual totals.
Balance Sheets: consolidated year-end balance sheets. Cash Flow Statements: consolidated quarterly cash flow statements with annual totals.
- c. Pro Forma Analysis: For each of the six performance criteria, compare your proforma results in your financial statements with the Goals/Objectives (Section #3). This tests whether your plan works (i.e., whether it achieves your objectives). For example: if your objective was to achieve Net Income of \$5,000,000 in Year 5 and \$8,000,000 in Year 6, compare the Net income from the pro forma with these two objectives. State whether your objectives are met by your plan.

Although Stock Price cannot be measured directly from your proformas, it can be estimated indirectly. Calculate your historical Price-to-Earnings Ratio (i.e., P/E Ratio) and use that ratio with your proforma earnings to estimate your future stock price.

NOTE: The above statements should be based on your forecasts. Do not replace pro forma statements with actual results from the beginning of Year 5.

8) OVERALL APPEARANCE OF REPORT

Your report must be typed on single sides of white paper. Use graphics and charts when they are more effective than narrative for conveying concepts, analysis, and ideas. However, do NOT use gratuitous graphics just because you have a color printer. Be careful to use correct spelling and grammar. All team members should proofread the report. Often a PC-based spell-checker misses errors. It is your team's responsibility to produce a professional looking report.

18. GRADING FOR TWO-YEAR PLAN :

5%	1. Introduction
5%	2. Organization
10%	3. Objectives
20%	4. Strategies
20%	5. Sales Forecast
10%	6. Production Plan
25%	7. Financial Statements
<u>5%</u>	8. Overall Appearance of Report
100%	

19. TO PREPARE THE TWO-YEAR PLAN:

1. Prepare four quarterly industry-wide sales forecasts, one in dollars and one in units for Merica, one in the local currency and one in units for Nystock/Pandau/Sereno, for Year 5/Qtr 1 through Year 6/Qtr 4, with adjustments for changes in business indexes and seasonal cycles.

2. Prepare quarterly sales forecasts for your firm, in dollars and in units, for Year 5/Quarter 1 through Year 6/Quarter 4. If you plan to introduce new models, your forecasts must show each different model as a separate line item. It may be easiest to first estimate market share for each model, and then determine what percentage of total industry sales you expect for each model. Then multiply your forecasted market share for each model by the total demand from the industry sales forecast. Develop quarterly sales forecasts in dollars and units for each area in Merica and local currency and units for Nystock/Pandau/Sereno.
3. Prepare a complete quarterly production plan for each of your firm's products in each area, including inventory, units of production, anticipated sales, and balance forward. Show personnel assignments, plant and equipment additions, and inventory planning, etc. Make sure your projections are feasible and that they help you obtain your objectives.
4. Prepare quarterly Income Statements (with yearly totals) and year-end Balance Sheets for Years 3 through 6. The Year 3 and 4 reports will show actuals and Years 5 and 6 will be pro-forma numbers. Also, prepare annual Cash Flow Statements for Years 3 and 4 (actuals) and Years 5 and 6 (pro-forma). Prepare consolidated statements, as well as statements by geographical area.
5. Prepare your Goals/Objectives and Strategies sections. Show both your Preliminary and Final Weighting factors and explain any changes you made between them. Discuss your objectives related to your Final Weighting Factors. Quantify your objectives in either dollars or in performance ratios. Remember, your pro-forma statements must show how you successfully reach your objectives. If you cannot get the objectives and pro-forma statements to agree, you must either change objectives or change strategy. Discuss functional strategies for marketing (such as production plan, plant location, overtime, expansion), and finance (i.e., how to pay for everything: cash flow, debt or equity.) Prepare the rest of the report.

20. FINAL CORPORATE REPORT:

During the scheduled Final Exam period, each team will present a Final Report orally in class (using PowerPoint presentation software) and in writing to the "Board of Directors". The report should show the achievements of Years 3 through 6, with emphasis on the last year. It should compare actual performance with the Two-Year Plan.

The Final Report should also evaluate the firm's current strengths and future strategies. This requires quantitative proof (use ratios) that materials, work-in-process, manpower, etc. are available in Year 7 and beyond. Liquidation is not an acceptable strategy: teams that have depleted their assets to make a short-term gain will be heavily penalized.

21. SUGGESTIONS FOR FINAL CORPORATE REPORT:

1. The Written Report should be 20-40 pages plus exhibits, typed, double-spaced, with professional appearance and concise composition. The report should be complete and self-contained, without the need to refer back to the Two-Year Plan. Include a Title page, a Table of Contents and number the pages.
2. Discuss firm's objectives, factors affecting choice of objectives, and how well objectives were achieved. Discuss functional strategies used to meet objectives, whether the strategies succeeded, and why.
3. Discuss any methods you used or tried to use in making decisions as a group
4. Prepare the following financial statements:
 - a. Annual Income Statements and Balance Sheets for Years 5 and 6.
 - b. Annual Cash Flow Statements for Years 5 and 6.
5. Compare actual results of Year 6 with projections from the Two-Year Plan, for both the year-end Balance Sheet and the annual Income Statement for the full year. Show variances in the following form:

<u>ITEM</u>	<u>PROJECTED</u>	<u>ACTUAL</u>	<u>% DIFFERENCE</u>
Cash	\$ 220,000	\$ 227,679	+3.5%
Securities	150,000	0-	
Accounts Receivable	2,886,000	2,051,489	-28.9%
--Etc.--			

6. Explain any variances greater than 25% in either direction.
7. Give future plans. Pro-forma statements are optional. Discuss changes you would make if you were to play the game again: strategy, management, finances, marketing, etc.

IMPORTANT: The final corporate report should require very little "new" material. The objective is to present the results achieved by your team during the final year. Discuss the mistakes. Please be precise and concise in your writing. The Oral Final Presentation is an important part of the team grade, and PowerPoint presentation software must be used. Use exhibits that the class can follow and be creative in communicating. The presentation should last about 15-20 minutes, and all team members must participate. There is no "group spokesperson."