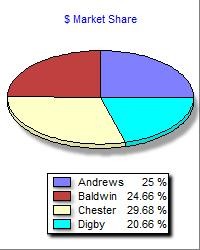
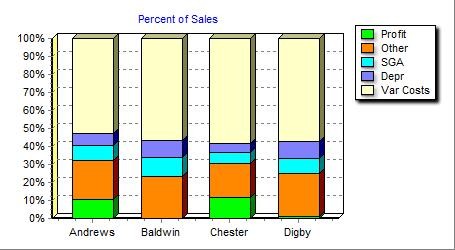
|  |  |  |
| --- | --- | --- |
| Page 1 Front Page  Page 2 Stocks & Bonds  Page 3 Financial Summary Page 4 Production Analysis | Page 5 Thrift Segment Analysis  Page 6 Core Segment Analysis  Page 7 Nano Segment Analysis Page 8 Elite Segment Analysis | Page 9 Market Share Page 10 Perceptual Map Page 11 HR/TQM Report |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Annual Report Andrews | Annual Report Baldwin | Annual Report Chester | Annual Report Digby |  |

### PRINT



#### Top

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|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| "  **Round: 3**  **Dec. 31, 2016** |  |  | Student: | | |
| **Andrews** | **Baldwin** | | **Chester** | | |
| **Digby** |  | |  | | |
| **Selected Financial Statistics** | | | | | |
|  | **Andrews** | **Baldwin** | **Chester** | | **Digby** |
| **ROS** | 11.4% | 0.1% | 12.7% | | 1.1% |
| **Asset Turnover** | 1.07 | 0.73 | 1.25 | | 0.70 |
| **ROA** | 12.2% | 0.1% | 15.8% | | 0.8% |
| **Leverage (Assets/Equity)** | 1.6 | 2.4 | 1.7 | | 2.6 |
| **ROE** | 18.9% | 0.2% | 27.1% | | 2.0% |
| **Emergency Loan** | $0 | $0 | $0 | | $0 |
| **Sales** | $175,632,153 | $173,267,527 | $208,540,626 | | $145,174,072 |
| **EBIT** | $37,162,468 | $16,687,922 | $48,328,275 | | $17,513,532 |
| **Profits** | $20,010,181 | $174,269 | $26,388,967 | | $1,614,471 |
| **Cumulative Profit** | $34,336,393 | $4,703,625 | $55,581,059 | | $4,975,742 |
| **SG&A / Sales** | 9.2% | 12.3% | 6.5% | | 9.2% |
| **Contrib. Margin %** | 43.1% | 36.7% | 38.0% | | 36.2% |
|  | | | |  | |
| ***COMP-XM® INQUIRER*** | **Page 1** | | | | |

##### Stocks & Bonds

Top

Round: 3



December 31 , 2016

**Stock Market Summary**

**Efren Escoto**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Company** | **Close** | **Change** | **Shares** | **MarketCap ($M)** | **Book Value** | **EPS** | **Dividend** | **Yield** | **P/E** |
| Andrews | $90.17 | $29.73 | 2,050,942 | $185 | $51.56 | $9.76 | $0.00 | 0.0% | 9.2 |
| Baldwin | $31.64 | ($2.69) | 3,210,804 | $102 | $30.89 | $0.05 | $0.00 | 0.0% | 572.5 |
| Chester | $109.99 | $29.48 | 1,896,197 | $209 | $51.36 | $13.92 | $0.00 | 0.0% | 7.9 |
| Digby | $25.88 | ($0.83) | 3,207,515 | $83 | $25.22 | $0.50 | $0.00 | 0.0% | 51.3 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Bond Market Summary** |  | | |
| **Company** | **Series#** | **Face** | **Yield** | **Close$** | **S&P** |
| **Andrews** | 11.2S2020 | $8,837,000 | 11.2% | 100.00 | A |
|  | 11.9S2021 | $7,072,000 | 11.6% | 102.57 | A |
|  | 10.9S2024 | $12,000,000 | 11.1% | 98.47 | A |
|  | 11.0S2025 | $13,000,000 | 11.1% | 98.90 | A |
|  | 11.8S2026 | $10,000,000 | 11.4% | 103.50 | A |
| **Baldwin** | 11.2S2020 | $8,632,724 | 12.0% | 92.95 | CC |
|  | 12.4S2021 | $5,825,802 | 12.9% | 95.84 | CC |
|  | 12.0S2023 | $15,610,279 | 12.9% | 93.05 | CC |
|  | 12.6S2024 | $17,788,546 | 13.2% | 95.30 | CC |
|  | 13.1S2025 | $34,902,738 | 13.4% | 97.49 | CC |
|  | 13.8S2026 | $19,645,689 | 13.7% | 101.06 | CC |
| **Chester** | 11.1S2022 | $2,509,600 | 11.5% | 96.70 | BBB |
|  | 11.2S2023 | $5,662,814 | 11.6% | 96.80 | BBB |
|  | 11.5S2024 | $1,377,976 | 11.7% | 98.01 | BBB |
|  | 11.6S2025 | $18,600,072 | 11.8% | 98.39 | BBB |
|  | 12.6S2026 | $10,904,257 | 12.1% | 103.97 | BBB |
| **Digby** | 11.3S2020 | $10,417,600 | 12.2% | 92.69 | CC |
|  | 12.5S2021 | $14,665,611 | 13.1% | 95.52 | CC |
|  | 12.5S2022 | $7,963,435 | 13.2% | 94.92 | CC |
|  | 12.5S2023 | $9,569,958 | 13.2% | 94.39 | CC |
|  | 12.9S2024 | $14,262,838 | 13.5% | 95.80 | CC |
|  | 13.4S2025 | $28,649,980 | 13.7% | 98.01 | CC |
|  | 14.2S2026 | $2,456,436 | 13.9% | 102.10 | CC |

**Next Year's Prime Rate 9.00%**

***COMP-XM® INQUIRER* Page 2**

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|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Top | Round: 3  December 31, 2016 | | | |
| **Financial Summary** |  |
| **Cash Flow Statement Survey**  **Cash flows from operating activities**  Net Income (Loss) |  | **Andrews**  $20,010 | **Baldwin**  $174 | **Chester Digby**  $26,389 $1,614 | |
| Adjustment for non-cash items: |  |  |  |  | |
| Depreciation |  | $12,058 | $17,849 | $10,617 | $15,687 |
| Extraordinary gains/losses/writeoffs Changes in current assets and liabilities:  Accounts payable |  | ($109)  $11 | $0  $2,394 | $0  $309 | $0  $674 |
| Inventory |  | $1,813 | ($10,029) | ($711) | ($10,029) |
| Accounts receivable |  | ($1,240) | ($2,676) | ($2,586) | $457 |
| Net cash from operations |  | $32,543 | $7,712 | $34,018 | $8,403 |
| **Cash flows from investing activities**  Plant improvements (net) |  | ($22,631) | ($48,980) | ($36,000) | ($19,800) |
| **Cash flows from financing activities**  Dividends paid |  | $0 | $0 | $0 | $0 |
| Sales of common stock |  | $0 | $18,373 | $0 | $8,668 |
| Purchase of common stock |  | $0 | $0 | ($1,584) | $0 |
| Cash from long term debt issued |  | $10,000 | $19,646 | $10,904 | $2,456 |
| Early retirement of long term debt |  | $0 | $0 | $0 | $0 |
| Retirement of current debt |  | ($11,300) | ($33,255) | ($30,661) | ($41,485) |
| Cash from current debt borrowing |  | $0 | $26,832 | $20,522 | $29,290 |
| Cash from emergency loan |  | $0 | $0 | $0 | $0 |
| Net cash from financing activities |  | ($1,300) | $31,595 | ($818) | ($1,070) |
| **Net change in cash position** |  | $8,612 | ($9,673) | ($2,800) | ($12,467) |
| **Balance Sheet Survey**  Cash |  | **Andrews**  $26,062 | **Baldwin**  $25,970 | **Chester**  $29,787 | **Digby**  $38,303 |
| Accounts Receivable |  | $14,436 | $14,241 | $17,140 | $11,932 |
| Inventory |  | $11,674 | $18,354 | $21,368 | $14,088 |
| Total Current Assets |  | $52,171 | $58,564 | $68,296 | $64,323 |
| Plant and equipment |  | $180,868 | $267,740 | $159,260 | $235,300 |
| Accumulated Depreciation |  | ($68,442) | ($88,249) | ($60,121) | ($93,158) |
| Total Fixed Assets |  | $112,426 | $179,491 | $99,139 | $142,142 |
| **Total Assets** |  | $164,597 | $238,055 | $167,434 | $206,465 |
| Accounts Payable |  | $7,950 | $9,651 | $10,468 | $8,296 |
| Current Debt |  | $0 | $26,832 | $20,522 | $29,290 |
| Long Term Debt |  | $50,909 | $102,406 | $39,055 | $87,986 |
| Total Liabilities |  | $58,859 | $138,888 | $70,045 | $125,572 |
| Common Stock |  | $12,081 | $55,651 | $10,915 | $45,786 |
| Retained Earnings |  | $93,657 | $43,516 | $86,474 | $35,107 |
| Total Equity |  | $105,738 | $99,167 | $97,389 | $80,893 |
| **Total Liabilities & Owners' Equity** |  | $164,597 | $238,055 | $167,434 | $206,465 |
| **Income Statement Survey**  Sales |  | **Andrews**  $175,632 | **Baldwin**  $173,268 | **Chester**  $208,541 | **Digby**  $145,174 |
| Variable Costs (Labor, Material, Carry) |  | $99,940 | $109,592 | $129,213 | $92,598 |
| Depreciation |  | $12,058 | $17,849 | $10,617 | $15,687 |
| SGA (R&D, Promo, Sales, Admin) |  | $16,130 | $21,237 | $13,563 | $13,319 |
| Other (Fees, Writeoffs, TQM, Bonuses) |  | $10,341 | $7,901 | $6,819 | $6,056 |
| EBIT |  | $37,162 | $16,688 | $48,328 | $17,514 |
| Interest (Short term, Long term) |  | $5,749 | $16,414 | $6,901 | $14,979 |
| Taxes |  | $10,995 | $96 | $14,499 | $887 |
| Profit Sharing |  | $408 | $4 | $539 | $33 |
| Net Profit |  | $20,010 | $174 | $26,389 | $1,614 |
| ***COMP-XM® INQUIRER*** |  |  |  |  | **Page 3** |

##### Production Analysis

Top

Round: 3

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December 31, 2016

##### Production Information

Unit

2nd Shift

&

Auto

mation Capacity

Name

Primary Segment

Units Sold

Inven

tory Revision Date

Age

Dec.31 MTBF

Pfmn Coord

Size

Coord Price

Material Cost

Labor Cost

Contr. Marg.

Over- time

Next Round

Next Round

Plant Utiliz.

Ark Elite 1,376 22 10/27/2016 1.2 26000 15.9 7.2 $38.00 $13.76 $7.99 43% 54% 6.5 914 153%

Able Thrift 1,647 66 12/1/2016 1.6 20000 7.9 12.0 $20.70 $7.41 $3.80 47% 86% 9.5 1,330 184%

Acre Core 1,613 389 10/7/2016 1.3 20000 10.9 9.4 $25.00 $9.45 $4.23 40% 0% 8.2 1,450 96%

Awe Nano 1,359 238 9/21/2016 1.2 22000 12.9 4.3 $36.00 $12.67 $7.36 43% 19% 6.0 1,228 118%

Buzz Thrift 971 380 12/19/2016 2.2 14000 8.5 11.7 $17.00 $6.82 $1.79 52% 0% 10.0 1,250 99%

Brat Core 1,848 315 12/7/2014 3.1 16000 9.4 10.8 $19.00 $8.14 $4.10 33% 43% 10.0 1,500 142%

Baker Nano 1,182 220 12/16/2016 1.0 18000 12.9 4.6 $30.00 $12.74 $6.89 34% 47% 7.0 950 146%

Bead Elite 837 279 12/16/2016 1.0 20000 16.0 7.1 $36.00 $13.59 $6.28 43% 12% 7.0 950 111%

Bid Core 1,566 117 12/24/2016 0.9 16000 10.8 9.3 $21.00 $9.31 $5.67 30% 63% 8.0 1,040 162%

Bold Core 1,053 0 2/10/2016 0.9 16000 10.5 9.7 $22.00 $9.03 $4.44 38% 100% 8.0 1,040 176%

Cute Nano 1,763 43 11/4/2016 1.2 23000 13.5 4.7 $34.00 $13.66 $7.91 38% 100% 7.0 1,150 198%

Crimp Elite 1,351 171 8/23/2016 1.9 25000 16.3 6.7 $34.00 $14.56 $6.69 35% 53% 7.0 850 151%

Cake Nano 1,248 341 7/2/2016 1.3 23000 14.0 4.2 $37.00 $14.04 $7.08 40% 30% 7.0 1,200 129%

Cedar Elite 1,527 427 7/24/2016 1.3 25000 16.1 6.4 $37.00 $14.57 $7.31 38% 43% 7.0 1,350 142%

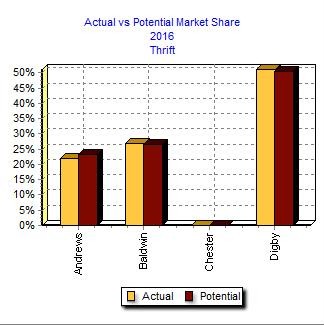
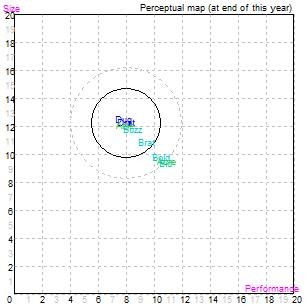
Dug Thrift 1,964 264 6/10/2017 3.7 17000 7.8 12.4 $16.00 $6.80 $2.99 36% 55% 10.0 1,450 154%

Drat Thrift 2,053 324 6/10/2017 3.6 17000 8.0 12.2 $16.00 $6.96 $2.97 35% 50% 10.0 1,600 149%

Deal Core 1,595 279 12/16/2015 2.1 18000 10.9 8.7 $24.00 $9.72 $4.57 38% 67% 8.0 1,150 165%

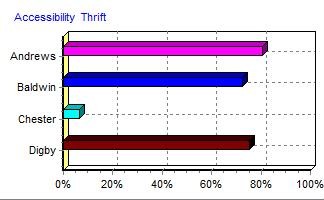
Dell Core 1,776 268 12/18/2015 2.1 20000 11.6 9.2 $24.00 $10.36 $4.50 36% 56% 8.0 1,350 154%

***COMP-XM® INQUIRER* Page 4**



#### Top

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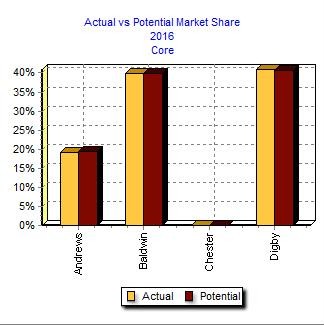
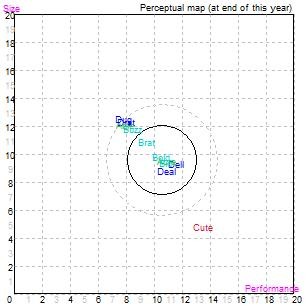
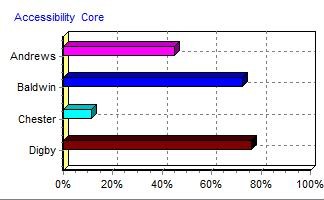
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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Thrift Market Segment Analysis** | | | | |  |  |  | |  |  |  | | Round: 3  December 31, 2016 |
|  | | | | | | | | | | | | | |
| **Thrift Statistics**  Total Industry Unit Demand  Actual Industry Unit Sales Segment % of Total Industry  Next Year's Segment Growth Rate  **Thrift Customer Buying Criteria**  *Expectations*  1. Price $14.00 - 26.00   1. Reliability MTBF 14000-20000 2. Ideal Position Pfmn 8.0 Size 12.2 3. Age Ideal Age = 3.0 | | | | | | 6,985  6,985  26.1%  11.0%  *Importance*  55%  20%  15%  10% | |  | | | | | |
| **Perceptual Map for Thrift Segment** | | | | | | | |  | | | | | |
|  | | | | | | | | | | | | | |
| **Top Products in Thrift Segment** | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | |
|  | Market | Units Sold | Revision | | Pfmn | Size | List | |  | Age | Promo | Cust. Aware- | Sales Cust. Access- Dec. Cust. |
| Name | Share | to Seg | Date | Stock Out | Coord | Coord | Price | | MTBF | Dec.31 | Budget | ness | Budget ibility Survey |
| Dug | 26% | 1,787 | 6/10/2017 | | 7.8 | 12.4 | $16.00 | | 17000 | 3.74 | $1,250 | 78% | $1,400 75% 54 |
| Drat | 26% | 1,782 | 6/10/2017 | | 8.0 | 12.2 | $16.00 | | 17000 | 3.64 | $1,250 | 79% | $1,400 75% 55 |
| Able | 21% | 1,445 | 12/1/2016 | | 7.9 | 12.0 | $20.70 | | 20000 | 1.58 | $1,400 | 95% | $2,000 81% 46 |
| Buzz | 14% | 948 | 12/19/2016 | | 8.5 | 11.7 | $17.00 | | 14000 | 2.25 | $1,140 | 66% | $1,000 72% 31 |
| Brat | 10% | 719 | 12/7/2014 | | 9.4 | 10.8 | $19.00 | | 16000 | 3.11 | $1,140 | 67% | $1,000 72% 24 |
| Bid | 3% | 190 | 12/24/2016 | | 10.8 | 9.3 | $21.00 | | 16000 | 0.88 | $1,140 | 58% | $900 72% 0 |
| Acre | 1% | 86 | 10/7/2016 | | 10.9 | 9.4 | $25.00 | | 20000 | 1.28 | $1,200 | 83% | $1,000 81% 0 |
| Bold | 0% | 29 | 2/10/2016 | YES | 10.5 | 9.7 | $22.00 | | 16000 | 0.89 | $1,140 | 51% | $900 72% 3 |
| ***COMP-XM® INQUIRER*** | | |  |  |  |  |  | |  |  |  |  | **Page 5** |

##### Core Market Segment Analysis

Top

Round: 3

Efren Escoto



December 31, 2016

##### Core Statistics

|  |  |
| --- | --- |
| Total Industry Unit Demand | 8,898 |
| Actual Industry Unit Sales | 8,898 |
| Segment % of Total Industry | 33.3% |

Next Year's Segment Growth Rate 10.0%

##### Core Customer Buying Criteria

*Expectations Importance*

1. Price $20.00 - 32.00 46%

1. Age Ideal Age = 2.0 20%
2. Reliability MTBF 16000-22000 18%
3. Ideal Position Pfmn 11.0 Size 9.2 16%

##### Perceptual Map for Core Segment

**Top Products in Core Segment**

***COMP-XM® INQUIRER* Page 6**

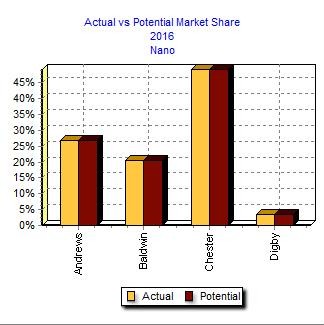
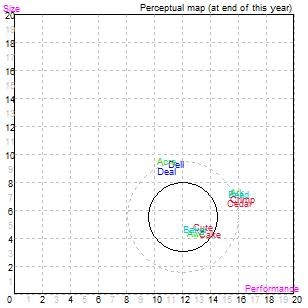
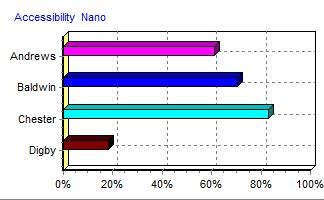
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Name | Market Share | Units Sold  to Seg | Revision Date | Stock Out | Pfmn Coord | Size Coord | List Price | MTBF | Age Promo Cust. Aware- Sales Cust. Access- Dec. Cust. Dec.31 Budget ness Budget ibility Survey | | | | | |
| Dell | 19% | 1,694 | 12/18/2015 |  | 11.6 | 9.2 | $24.00 | 20000 | 2.10 | $1,250 | 78% | $1,100 | 76% | 50 |
| Acre | 17% | 1,502 | 10/7/2016 |  | 10.9 | 9.4 | $25.00 | 20000 | 1.28 | $1,200 | 83% | $1,000 | 45% | 39 |
| Deal | 17% | 1,496 | 12/16/2015 |  | 10.9 | 8.7 | $24.00 | 18000 | 2.09 | $1,250 | 78% | $1,100 | 76% | 44 |
| Bid | 15% | 1,376 | 12/24/2016 |  | 10.8 | 9.3 | $21.00 | 16000 | 0.88 | $1,140 | 58% | $900 | 72% | 38 |
| Brat | 13% | 1,129 | 12/7/2014 |  | 9.4 | 10.8 | $19.00 | 16000 | 3.11 | $1,140 | 67% | $1,000 | 72% | 26 |
| Bold | 12% | 1,024 | 2/10/2016 | YES | 10.5 | 9.7 | $22.00 | 16000 | 0.89 | $1,140 | 51% | $900 | 72% | 31 |
| Drat | 3% | 271 | 6/10/2017 |  | 8.0 | 12.2 | $16.00 | 17000 | 3.64 | $1,250 | 79% | $1,400 | 76% | 2 |
| Able | 2% | 202 | 12/1/2016 |  | 7.9 | 12.0 | $20.70 | 20000 | 1.58 | $1,400 | 95% | $2,000 | 45% | 12 |
| Dug | 2% | 178 | 6/10/2017 |  | 7.8 | 12.4 | $16.00 | 17000 | 3.74 | $1,250 | 78% | $1,400 | 76% | 0 |
| Buzz | 0% | 23 | 12/19/2016 |  | 8.5 | 11.7 | $17.00 | 14000 | 2.25 | $1,140 | 66% | $1,000 | 72% | 8 |
| Cute | 0% | 3 | 11/4/2016 |  | 13.5 | 4.7 | $34.00 | 23000 | 1.24 | $1,350 | 87% | $1,000 | 11% | 0 |

##### Nano Market Segment Analysis

Top

Round: 3

Efren Escoto



December 31, 2016

##### Nano Statistics

|  |  |
| --- | --- |
| Total Industry Unit Demand | 5,412 |
| Actual Industry Unit Sales | 5,412 |
| Segment % of Total Industry | 20.3% |

Next Year's Segment Growth Rate 14.0%

##### Nano Customer Buying Criteria

*Expectations Importance*

1. Ideal Position Pfmn 12.9 Size 4.4 35%

2. Price $28.00 - 40.00 27%

1. Age Ideal Age = 1.0 20%
2. Reliability MTBF 18000-24000 18%

##### Perceptual Map for Nano Segment

**Top Products in Nano Segment**

***COMP-XM® INQUIRER* Page 7**

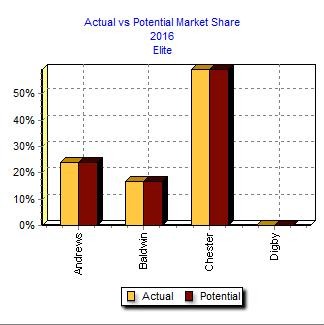
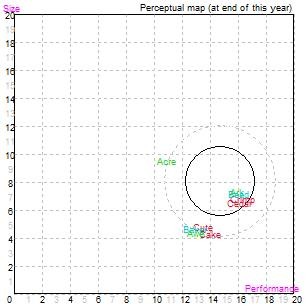
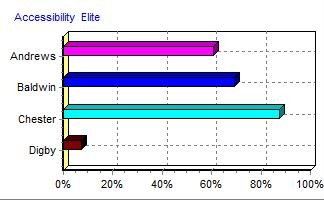
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Name | Market Share | Units Sold  to Seg | Revision Date | Stock Out | Pfmn Coord | Size Coord | List Price | MTBF | Age Dec.31 | Promo Cust. Aware- Budget ness | | Sales Cust. Access- Dec. Cust. Budget ibility Survey | | |
| Cute | 25% | 1,368 | 11/4/2016 |  | 13.5 | 4.7 | $34.00 | 23000 | 1.24 | $1,350 | 87% | $1,000 | 83% | 62 |
| Awe | 24% | 1,305 | 9/21/2016 |  | 12.9 | 4.3 | $36.00 | 22000 | 1.24 | $1,500 | 100% | $1,100 | 61% | 52 |
| Cake | 22% | 1,194 | 7/2/2016 |  | 14.0 | 4.2 | $37.00 | 23000 | 1.34 | $1,350 | 87% | $900 | 83% | 48 |
| Baker | 20% | 1,055 | 12/16/2016 |  | 12.9 | 4.6 | $30.00 | 18000 | 1.03 | $1,140 | 67% | $1,900 | 70% | 46 |
| Ark | 2% | 127 | 10/27/2016 |  | 15.9 | 7.2 | $38.00 | 26000 | 1.23 | $1,350 | 90% | $1,100 | 61% | 0 |
| Deal | 2% | 99 | 12/16/2015 |  | 10.9 | 8.7 | $24.00 | 18000 | 2.09 | $1,250 | 78% | $1,100 | 18% | 2 |
| Cedar | 2% | 85 | 7/24/2016 |  | 16.1 | 6.4 | $37.00 | 25000 | 1.34 | $1,350 | 87% | $900 | 83% | 0 |
| Dell | 2% | 82 | 12/18/2015 |  | 11.6 | 9.2 | $24.00 | 20000 | 2.10 | $1,250 | 78% | $1,100 | 18% | 1 |
| Bead | 1% | 61 | 12/16/2016 |  | 16.0 | 7.1 | $36.00 | 20000 | 1.04 | $1,140 | 67% | $2,200 | 70% | 0 |
| Acre | 0% | 20 | 10/7/2016 |  | 10.9 | 9.4 | $25.00 | 20000 | 1.28 | $1,200 | 83% | $1,000 | 61% | 0 |
| Crimp | 0% | 17 | 8/23/2016 |  | 16.3 | 6.7 | $34.00 | 25000 | 1.90 | $1,350 | 87% | $1,000 | 83% | 0 |

##### Elite Market Segment Analysis

Top

Round: 3

Efren Escoto



December 31, 2016

##### Elite Statistics

|  |  |
| --- | --- |
| Total Industry Unit Demand | 5,434 |
| Actual Industry Unit Sales | 5,434 |
| Segment % of Total Industry | 20.3% |

Next Year's Segment Growth Rate 16.0%

##### Elite Customer Buying Criteria

*Expectations Importance*

1. Age Ideal Age = 0.0 34%

2. Price $30.00 - 42.00 24%

1. Ideal Position Pfmn 15.8 Size 7.3 22%
2. Reliability MTBF 20000-26000 20%

##### Perceptual Map for Elite Segment

**Top Products in Elite Segment**

***COMP-XM® INQUIRER* Page 8**

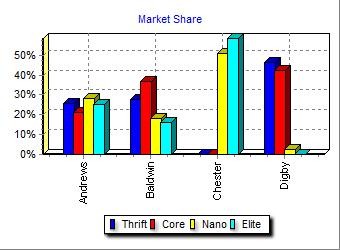
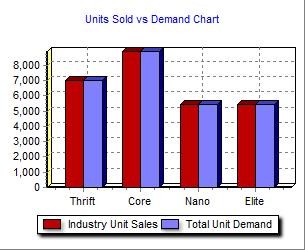
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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Name | Market Share | Units Sold  to Seg | Revision Date | Stock Out | Pfmn Coord | Size Coord | List Price | MTBF | Age Dec.31 | Promo Cust. Aware- Budget ness | | Sales Cust. Access- Dec. Cust. Budget ibility Survey | | |
| Cedar | 27% | 1,442 | 7/24/2016 |  | 16.1 | 6.4 | $37.00 | 25000 | 1.34 | $1,350 | 87% | $900 | 87% | 48 |
| Crimp | 25% | 1,334 | 8/23/2016 |  | 16.3 | 6.7 | $34.00 | 25000 | 1.90 | $1,350 | 87% | $1,000 | 87% | 47 |
| Ark | 23% | 1,248 | 10/27/2016 |  | 15.9 | 7.2 | $38.00 | 26000 | 1.23 | $1,350 | 90% | $1,100 | 61% | 48 |
| Bead | 14% | 775 | 12/16/2016 |  | 16.0 | 7.1 | $36.00 | 20000 | 1.04 | $1,140 | 67% | $2,200 | 69% | 30 |
| Cute | 7% | 392 | 11/4/2016 |  | 13.5 | 4.7 | $34.00 | 23000 | 1.24 | $1,350 | 87% | $1,000 | 87% | 8 |
| Baker | 2% | 127 | 12/16/2016 |  | 12.9 | 4.6 | $30.00 | 18000 | 1.03 | $1,140 | 67% | $1,900 | 69% | 1 |
| Cake | 1% | 55 | 7/2/2016 |  | 14.0 | 4.2 | $37.00 | 23000 | 1.34 | $1,350 | 87% | $900 | 87% | 1 |
| Awe | 1% | 55 | 9/21/2016 |  | 12.9 | 4.3 | $36.00 | 22000 | 1.24 | $1,500 | 100% | $1,100 | 61% | 0 |
| Acre | 0% | 6 | 10/7/2016 |  | 10.9 | 9.4 | $25.00 | 20000 | 1.28 | $1,200 | 83% | $1,000 | 61% | 0 |

##### Market Share Report

Top

Round: 3

Efren Escoto



December 31, 2016

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Actual M**  **Thrift**  Industry Unit  Sales 6,985 | **arket Share in Units**  **Core Nano Elite**  8,898 5,412 5,434 | | | **Total**  26,729 | **Potential Mark**  **Thrift Core**  Units  Demanded 6,985 8,898 | | **et Share in Units**  **Nano Elite**  5,412 5,434 | | **Total**  26,729 |
| % of Market 26.1% | 33.3% | 20.3% | 20.3% | 100.0% | % of Market 26.1% | 33.3% | 20.3% | 20.3% | 100.0% |
| Ark |  | 2.4% | 23.0% | 5.2% | Ark |  | 2.4% | 23.0% | 5.2% |
| Able 20.7% | 2.3% |  |  | 6.2% | Able 22.0% | 2.6% |  |  | 6.6% |
| Acre 1.2% | 16.9% | 0.4% | 0.1% | 6.0% | Acre 1.2% | 16.8% | 0.4% | 0.1% | 6.0% |
| Awe |  | 24.1% | 1.0% | 5.1% | Awe |  | 24.1% | 1.0% | 5.1% |
| Total 21.9% | 19.1% | 26.8% | 24.1% | 22.4% | Total 23.2% | 19.4% | 26.8% | 24.1% | 22.9% |
| Buzz 13.6% | 0.3% |  |  | 3.6% | Buzz 13.2% | 0.3% |  |  | 3.5% |
| Brat 10.3% | 12.7% |  |  | 6.9% | Brat 10.1% | 12.6% |  |  | 6.8% |
| Baker |  | 19.5% | 2.3% | 4.4% | Baker |  | 19.5% | 2.3% | 4.4% |
| Bead |  | 1.1% | 14.3% | 3.1% | Bead |  | 1.1% | 14.3% | 3.1% |
| Bid 2.7% | 15.5% |  |  | 5.9% | Bid 2.7% | 15.4% |  |  | 5.8% |
| Bold 0.4% | 11.5% |  |  | 3.9% | Bold 0.4% | 11.6% |  |  | 4.0% |
| Total 27.0% | 39.9% | 20.6% | 16.6% | 27.9% | Total 26.4% | 39.9% | 20.6% | 16.6% | 27.7% |
| Cute | 0.0% | 25.3% | 7.2% | 6.6% | Cute |  | 25.3% | 7.2% | 6.6% |
| Crimp |  | 0.3% | 24.6% | 5.0% | Crimp |  | 0.3% | 24.5% | 5.1% |
| Cake |  | 22.1% | 1.0% | 4.7% | Cake |  | 22.1% | 1.0% | 4.7% |
| Cedar |  | 1.6% | 26.5% | 5.7% | Cedar |  | 1.6% | 26.5% | 5.7% |
| Total | 0.0% | 49.2% | 59.3% | 22.0% | Total | 0.0% | 49.2% | 59.3% | 22.0% |
| Dug 25.6% | 2.0% |  |  | 7.3% | Dug 25.3% | 2.0% |  |  | 7.3% |
| Drat 25.5% | 3.0% |  |  | 7.7% | Drat 25.1% | 3.0% |  |  | 7.6% |
| Deal | 16.8% | 1.8% |  | 6.0% | Deal | 16.7% | 1.8% |  | 5.9% |
| Dell | 19.0% | 1.5% |  | 6.6% | Dell | 18.9% | 1.5% |  | 6.6% |
| Total 51.1% | 40.9% | 3.3% |  | 27.6% | Total 50.3% | 40.7% | 3.3% |  | 27.4% |
| ***COMP-XM® INQUIRER*** |  |  |  |  |  |  |  |  | **Page 9** |

#### Top

Efren Escoto

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Perceptual Map** December Round: 3 | | | | | | | | |
| **Perceptual Map for All Segments** | | | | | | | | |
|  | | | | | | | | |
|  | **Andrews** |  |  | **Baldwin** |  |  | **Chester** |  |
| **Name** | **Pfmn Size** | **Revised** | **Name** | **Pfmn Size** | **Revised** | **Name** | **Pfmn Size** | **Revised** |
| Ark | 15.9 7.2 | 10/27/2016 | Buzz | 8.5 11.7 | 12/19/2016 | Cute | 13.5 4.7 | 11/4/2016 |
| Able | 7.9 12.0 | 12/1/2016 | Brat | 9.4 10.8 | 12/7/2014 | Crimp | 16.3 6.7 | 8/23/2016 |
| Acre | 10.9 9.4 | 10/7/2016 | Baker | 12.9 4.6 | 12/16/2016 | Cake | 14.0 4.2 | 7/2/2016 |
| Awe | 12.9 4.3 | 9/21/2016 | Bead | 16.0 7.1 | 12/16/2016 | Cedar | 16.1 6.4 | 7/24/2016 |
| Bid | 10.8 9.3 | 12/24/2016 |
| Bold | 10.5 9.7 | 2/10/2016 |
| **Digby**  **Name Pfmn Size Revised**  Dug 7.8 12.4 6/10/2017  Drat 8.0 12.2 6/10/2017  Deal 10.9 8.7 12/16/2015  Dell 11.6 9.2 12/18/2015 | | |  | | |  | | |
|  | | | | | | | | |
| ***COMP-XM® INQUIRER* Page 10** | | | | | | | | |

##### HR/TQM Report

Top

Round: 3

December 31, 2016



##### HUMAN RESOURCES SUMMARY

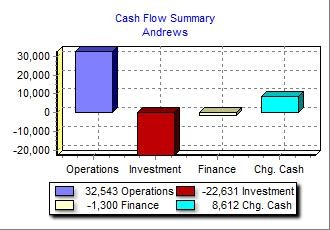
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|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Needed Complement | Andrews  522 | Baldwin  590 | Chester  612 | Digby 431 |  |
| Complement | 522 | 590 | 612 | 431 |  |
| 1st Shift Complement | 396 | 415 | 395 | 275 |  |
| 2nd Shift Complement | 126 | 175 | 218 | 156 |  |
| Overtime% | 0.0% | 0.0% | 0.0% | 0.0% |  |
| Turnover Rate | 7.0% | 6.2% | 10.0% | 8.0% |  |
| New Employees | 37 | 137 | 61 | 35 |  |
| Separated Employees | 107 | 0 | 49 | 0 |  |
| Recruiting Spend | $4,000 | $5,000 | $0 | $2,500 |  |
| Training Hours | 80 | 80 | 0 | 40 |  |
| Productivity Index | 109.4% | 125.6% | 100.0% | 116.4% |  |
| Recruiting Cost | $183 | $825 | $61 | $123 |  |
| Separation Cost | $535 | $0 | $247 | $0 |  |
| Training Cost | $835 | $944 | $0 | $345 |  |
| Total HR Admin Cost | $1,553 | $1,769 | $309 | $468 |  |
| **Labor Contract Next Year** |  |  |  |  |  |
| Wages | $29.56 | $29.56 | $29.56 | $29.56 |  |
| Benefits | 2,500 | 2,500 | 2,500 | 2,500 |  |
| Profit Sharing | 2.0% | 2.0% | 2.0% | 2.0% |  |
| Annual Raise | 5.0% | 5.0% | 5.0% | 5.0% |  |
| **Starting Negotiation Position** |  |  |  |  |  |
| Wages |  |  |  |  |  |
| Benefits |  |  |  |  |  |
| Profit Sharing |  |  |  |  |  |
| Annual Raise |  |  |  |  |  |
| **Ceiling Negotiation Position** |  |  |  |  |  |
| Wages |  |  |  |  |  |
| Benefits |  |  |  |  |  |
| Profit Sharing |  |  |  |  |  |
| Annual Raise |  |  |  |  |  |
| **Adjusted Labor Demands** |  |  |  |  |  |
| Wages |  |  |  |  |  |
| Benefits |  |  |  |  |  |
| Profit Sharing |  |  |  |  |  |
| Annual Raise |  |  |  |  |  |
| Strike Days |  |  |  |  |  |
|  |  | **TQM SUMMARY** |  |  |  |
| **Process Mgt Budgets Last Year** | Andrews | Baldwin | Chester | Digby |  |
| CPI Systems | $1,500 | $1,500 | $0 | $1,250 |  |
| Vendor/JIT | $2,000 | $1,500 | $0 | $1,250 |  |
| Quality Initiative Training | $1,000 | $0 | $1,250 | $0 |  |
| Channel Support Systems | $1,250 | $0 | $1,250 | $1,500 |  |
| Concurrent Engineering | $500 | $0 | $1,250 | $0 |  |
| UNEP Green Programs | $500 | $1,500 | $0 | $0 |  |
| **TQM Budgets Last Year**  Benchmarking | $300 | $1,500 | $0 | $0 |  |
| Quality Function Deployment Effort | $500 | $0 | $0 | $0 |  |
| CCE/6 Sigma Training | $1,600 | $0 | $1,250 | $750 |  |
| GEMI TQEM Sustainability Initiatives | $800 | $0 | $1,250 | $750 |  |
| Total Expenditures | $9,950 | $6,000 | $6,250 | $5,500 |  |
| **Cumulative Impacts**  Material Cost Reduction | 11.22% | 1.41% | 6.43% | 6.03% |  |
| Labor Cost Reduction | 12.44% | 0.05% | 13.93% | 1.78% |  |
| Reduction R&D Cycle Time | 8.91% | 0.00% | 39.79% | 0.00% |  |
| Reduction Admin Costs | 47.70% | 43.11% | 0.00% | 16.23% |  |
| Demand Increase | 7.52% | 0.45% | 9.37% | 5.47% |  |
| ***COMP-XM® INQUIRER*** |  |  |  |  | **Page 11** |

PRINT

***Annual Report***

Top



***Annual Report* Andrews C59559**

## Balance Sheet

**Round: 3**

**Dec**

**. 31, 2016**

your company stocked out. Unmet demand would, of

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **DEFINITIONS: Common Size**: The common size column simply represents each item as a percentage of total assets for that year. **Cash**: Your end-of-year cash position.  **Accounts Receivable**: Reflects the lag between delivery | **ASSETS**  **Cash** | $26,062 |  | **2016**  Common  Size 15.8% | **2015**  $17,450 |
| and payment of your products. **Inventories**: The current | **Accounts Receivable** | $14,436 |  | 8.8% | $13,196 |
| value of your inventory across all products. A zero indicates | **Inventory** | $11,674 |  | 7.1% | $13,487 |
| course, fall to your competitors. **Plant & Equipment**: The | Total Current Assets |  | $52,172 | 31.7% | $44,133 |
| current value of your plant. **Accum Deprec**: The total  accumulated depreciation from your plant. **Accts Payable**: | **Plant & Equipment** | $180,868 |  | 109.9% | $162,696 |
| What the company currently owes suppliers for materials and services. **Current Debt**: The debt the company is | **Accumulated Depreciation** | ($68,442) |  | -41.6% | ($60,952) |
| obligated to pay during the next year of operations. It | Total Fixed Assets |  | $112,426 | 68.3% | $101,744 |
| includes emergency loans used to keep your company  solvent should you run out of cash during the year. **Long** |  |  |  |  |  |
| **Term Debt**: The company's long term debt is in the form of Total Assets | |  | $164,597 | 100.0% | $145,876 |
| bonds, and this represents the total value of your bonds.  **Common Stock**: The amount of capital invested by **LIABILITIES & OWNERS' EQUITY** | |  |  |  |  |
| shareholders in the company. **Retained Earnings**: The  profits that the company chose to keep instead of paying to **Accounts Payable** | | $7,950 |  | 4.8% | $7,940 |
| shareholders as dividends. **Current Debt** | | $0 |  | 0.0% | $11,300 |
| **Long Term Debt** | | $50,909 |  | 30.9% | $40,909 |
| Total Liabilities | |  | $58,859 | 35.8% | $60,149 |
| **Common Stock** | | $12,081 |  | 7.3% | $12,081 |
| **Retained Earnings** | | $93,657 |  | 56.9% | $73,647 |
| Total Equity | |  | $105,738 | 64.2% | $85,728 |
| Total Liab. & O. Equity | |  | $164,597 | 100.0% | $145,876 |

## Cash Flow Statement

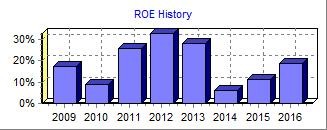
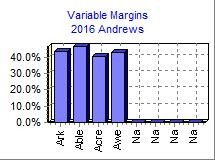
The **Cash Flow Statement** examines what happened in the Cash Account during the **Cash Flows from Operating Activities: 2016 2015**

year. Cash injections appear as positive numbers and cash withdrawals as negative numbers. The Cash Flow Statement is an excellent tool for diagnosing emergency loans. When negative cash flows exceed positives, you are forced to seek emergency funding. For example, if sales are bad and you find yourself carrying an abundance of excess inventory, the report would show the increase in inventory as a huge negative cash flow. Too much unexpected inventory could outstrip your inflows, exhaust your starting cash and force you to beg for money to keep your company afloat.

|  |  |  |
| --- | --- | --- |
| Net Income (Loss)  Depreciation | $20,010  $12,058 | $9,586  $10,846 |
| Extraordinary gains/losses/writeoffs | ($109) | ($965) |
| Accounts Payable | $11 | ($31) |
| Inventory | $1,813 | $5,097 |
| Accounts Receivable | ($1,240) | ($1,087) |
| Net cash from operations  **Cash Flows from Investing Activities:**  Plant Improvements  **Cash Flows from Financing Activities:**  Dividends Paid  Sales of Common Stock Purchase of Common Stock Cash from long term debt Retirement of long term debt  Change in current debt (net)  Net cash from financing activities **Net change in cash position Closing cash position** | $32,543 | $23,447 |
| ($22,631) | ($29,448) |
| $0 | $0 |
| $0 | $0 |
| $0 | $0 |
| $10,000 | $13,000 |
| $0 | ($11,300) |
| ($11,300) | $11,300 |
| ($1,300) | $13,000 |
| $8,612 | $6,999 |
| $26,062 | $17,450 |

***Annual Report* Page 1**

#### Top



***Annual Report* Andrews C59559**

**2016 Income Statement**

**Round: 3**

**Dec**

**. 31, 2016**

(Product Name:) Ark Able Acre Awe Na Na

**Sales** $52,275 $34,087 $40,329 $48,941 $0 $0

###### Variable Costs:

Direct Labor $10,994 $6,250 $7,882 $10,349 $0 $0 Direct Material $18,534 $11,886 $15,476 $17,169 $0 $0 Inventory Carry $58 $88 $676 $579 $0 $0 Total Variable $29,585 $18,224 $24,034 $28,097 $0 $0

2016

Common

Contribution Margin $22,690 $15,863 $16,295 $20,843 $0 $0

###### Period Costs:

|  |  |
| --- | --- |
| Total  $175,632 | Size 100.0% |
| $35,475 | 20.2% |
| $63,065 | 35.9% |
| $1,401 | 0.8% |
| $99,940 | 56.9% |
| $75,692 | 43.1% |

|  |  |
| --- | --- |
| Na  $0 | Na  $0 |
| $0 | $0 |
| $0 | $0 |
| $0 | $0 |
| $0 | $0 |
| $0 | $0 |

Depreciation $1,950 $3,901 $3,751 $2,456 $0 $0 $0 $0 $12,058 6.9% SG&A: R&D $836 $933 $780 $736 $0 $0 $0 $0 $3,285 1.9%

Promotions $1,350 $1,400 $1,200 $1,500 $0 $0 $0 $0 $5,450 3.1% Sales $1,100 $2,000 $1,000 $1,100 $0 $0 $0 $0 $5,200 3.0%

Admin $654 $426 $504 $612 $0 $0 $0 $0 $2,196 1.3% Total Period $5,889 $8,661 $7,235 $6,404 $0 $0 $0 $0 $28,188 16.0%

Net Margin $16,801 $7,203 $9,061 $14,439 $0 $0 $0 $0 $47,504 27.0%

Definitions: **Sales**: Unit sales times list price. **Direct Labor**: Labor costs incurred to produce the product that was sold. **Inventory Carry Cost**: the cost to carry unsold goods in inventory. **Depreciation**: Calculated on straight-line 15-year depreciation of plant value. **R&D Costs**: R&D department expenditures for each product. **Admin**: Administration overhead is estimated at 1.5% of sales. **Promotions**: The promotion budget for each product. **Sales**: The sales force budget for each product. **Other**: Charges not included in other categories such as Fees, Write Offs, and TQM. The fees include money paid to investment bankers and brokerage firms to issue new stocks or bonds plus consulting fees your instructor might assess. Write-offs include the loss you might experience when you sell capacity or liquidate inventory as the result of eliminating a production line. If the amount appears as a negative amount, then you actually made money on the liquidation of capacity or inventory. **EBIT**: Earnings Before Interest and Taxes. **Short Term Interest**: Interest expense based on last year's current debt, including short term debt, long term notes that have become due, and emergency loans. **Long Term Interest**: Interest paid on outstanding bonds. **Taxes**: Income tax based upon a 35% tax rate. **Profit Sharing**: Profits shared with employees under the labor contract. **Net Profit**: EBIT minus interest, taxes, and profit sharing.

Other $10,341 5.9%

EBIT $37,162 21.2%

Short Term Interest $0 0.0%

LongTerm Interest $5,749 3.3%

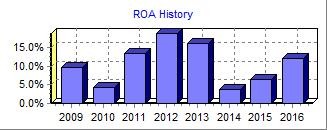
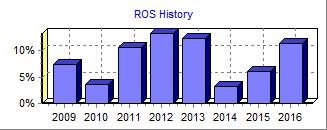
Taxes $10,995 6.3%

Profit Sharing $408 0.2%

Net Profit $20,010 11.4%

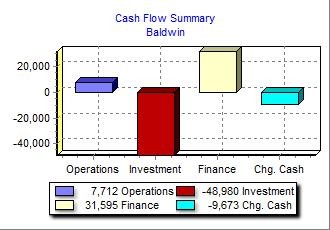
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| --- | --- |
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| ***Annual Report* Page 2** | |

PRINT



***Annual Report***

#### Top



***Annual Report* Baldwin C59559**

## Balance Sheet

**Round: 3**

**Dec**

**. 31, 2016**

your company stocked out. Unmet demand would, of

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **DEFINITIONS: Common Size**: The common size column simply represents each item as a percentage of total assets for that year. **Cash**: Your end-of-year cash position.  **Accounts Receivable**: Reflects the lag between delivery | **ASSETS**  **Cash** | $25,970 |  | **2016**  Common  Size 10.9% | **2015**  $35,643 |
| and payment of your products. **Inventories**: The current | **Accounts Receivable** | $14,241 |  | 6.0% | $11,565 |
| value of your inventory across all products. A zero indicates | **Inventory** | $18,354 |  | 7.7% | $8,324 |
| course, fall to your competitors. **Plant & Equipment**: The | Total Current Assets |  | $58,565 | 24.6% | $55,532 |
| current value of your plant. **Accum Deprec**: The total  accumulated depreciation from your plant. **Accts Payable**: | **Plant & Equipment** | $267,740 |  | 112.5% | $218,760 |
| What the company currently owes suppliers for materials and services. **Current Debt**: The debt the company is | **Accumulated Depreciation** | ($88,249) |  | -37.1% | ($70,400) |
| obligated to pay during the next year of operations. It | Total Fixed Assets |  | $179,491 | 75.4% | $148,360 |
| includes emergency loans used to keep your company  solvent should you run out of cash during the year. **Long** |  |  |  |  |  |
| **Term Debt**: The company's long term debt is in the form of Total Assets | |  | $238,055 | 100.0% | $203,892 |
| bonds, and this represents the total value of your bonds.  **Common Stock**: The amount of capital invested by **LIABILITIES & OWNERS' EQUITY** | |  |  |  |  |
| shareholders in the company. **Retained Earnings**: The  profits that the company chose to keep instead of paying to **Accounts Payable** | | $9,651 |  | 4.1% | $7,257 |
| shareholders as dividends. **Current Debt** | | $26,832 |  | 11.3% | $33,255 |
| **Long Term Debt** | | $102,406 |  | 43.0% | $82,760 |
| Total Liabilities | |  | $138,889 | 58.3% | $123,272 |
| **Common Stock** | | $55,651 |  | 23.4% | $37,278 |
| **Retained Earnings** | | $43,516 |  | 18.3% | $43,342 |
| Total Equity | |  | $99,167 | 41.7% | $80,620 |
| Total Liab. & O. Equity | |  | $238,055 | 100.0% | $203,892 |

## Cash Flow Statement

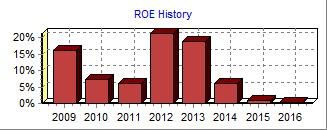
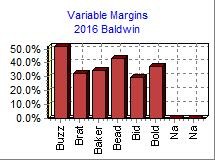
The **Cash Flow Statement** examines what happened in the Cash Account during the **Cash Flows from Operating Activities: 2016 2015**

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|  |  |  |
| --- | --- | --- |
| Net Income (Loss)  Depreciation | $174  $17,849 | $797  $13,224 |
| Extraordinary gains/losses/writeoffs | $0 | $0 |
| Accounts Payable | $2,394 | $864 |
| Inventory | ($10,029) | $2,948 |
| Accounts Receivable | ($2,676) | ($1,947) |
| Net cash from operations  **Cash Flows from Investing Activities:**  Plant Improvements  **Cash Flows from Financing Activities:**  Dividends Paid  Sales of Common Stock Purchase of Common Stock Cash from long term debt Retirement of long term debt  Change in current debt (net)  Net cash from financing activities **Net change in cash position Closing cash position** | $7,712 | $15,885 |
| ($48,980) | ($53,460) |
| $0 | $0 |
| $18,373 | $18,534 |
| $0 | $0 |
| $19,646 | $34,903 |
| $0 | ($11,300) |
| ($6,424) | $11,545 |
| $31,595 | $53,682 |
| ($9,673) | $16,108 |
| $25,970 | $35,643 |

***Annual Report* Page 1**

#### Top



***Annual Report* Baldwin C59559**

**2016 Income Statement**

**Round: 3**

**Dec**

**. 31, 2016**

(Product Name:) Buzz Brat Baker Bead Bid Bold

**Sales** $16,500 $35,116 $35,467 $30,122 $32,894 $23,167

###### Variable Costs:

Direct Labor $1,790 $7,617 $8,084 $5,388 $8,878 $4,678 Direct Material $5,804 $15,560 $14,674 $11,103 $14,033 $9,782 Inventory Carry $357 $474 $507 $659 $205 $0 Total Variable $7,951 $23,650 $23,265 $17,150 $23,115 $14,460

2016

Common

Contribution Margin $8,549 $11,466 $12,202 $12,972 $9,778 $8,707

###### Period Costs:

|  |  |
| --- | --- |
| Total  $173,268 | Size 100.0% |
| $36,434 | 21.0% |
| $70,956 | 41.0% |
| $2,202 | 1.3% |
| $109,592 | 63.2% |
| $63,675 | 36.7% |

|  |  |
| --- | --- |
| Na  $0 | Na  $0 |
| $0 | $0 |
| $0 | $0 |
| $0 | $0 |
| $0 | $0 |
| $0 | $0 |

Depreciation $3,833 $4,600 $2,153 $2,153 $2,635 $2,475 $0 $0 $17,849 10.3% SG&A: R&D $983 $0 $973 $973 $995 $114 $0 $0 $4,039 2.3% Promotions $1,140 $1,140 $1,140 $1,140 $1,140 $1,140 $0 $0 $6,840 3.9% Sales $1,000 $1,000 $1,900 $2,200 $900 $900 $0 $0 $7,900 4.6%

Admin $234 $498 $503 $427 $467 $329 $0 $0 $2,459 1.4% Total Period $7,190 $7,238 $6,670 $6,894 $6,137 $4,957 $0 $0 $39,087 22.6%

Net Margin $1,359 $4,228 $5,532 $6,078 $3,642 $3,750 $0 $0 $24,589 14.2%

Definitions: **Sales**: Unit sales times list price. **Direct Labor**: Labor costs incurred to produce the product that was sold. **Inventory Carry Cost**: the cost to carry unsold goods in inventory. **Depreciation**: Calculated on straight-line 15-year depreciation of plant value. **R&D Costs**: R&D department expenditures for each product. **Admin**: Administration overhead is estimated at 1.5% of sales. **Promotions**: The promotion budget for each product. **Sales**: The sales force budget for each product. **Other**: Charges not included in other categories such as Fees, Write Offs, and TQM. The fees include money paid to investment bankers and brokerage firms to issue new stocks or bonds plus consulting fees your instructor might assess. Write-offs include the loss you might experience when you sell capacity or liquidate inventory as the result of eliminating a production line. If the amount appears as a negative amount, then you actually made money on the liquidation of capacity or inventory. **EBIT**: Earnings Before Interest and Taxes. **Short Term Interest**: Interest expense based on last year's current debt, including short term debt, long term notes that have become due, and emergency loans. **Long Term Interest**: Interest paid on outstanding bonds. **Taxes**: Income tax based upon a 35% tax rate. **Profit Sharing**: Profits shared with employees under the labor contract. **Net Profit**: EBIT minus interest, taxes, and profit sharing.

Other $7,901 4.6%

EBIT $16,688 9.6%

Short Term Interest $3,327 1.9%

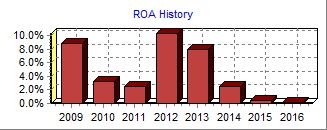
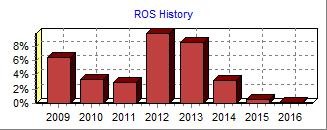
LongTerm Interest $13,087 7.6% Taxes $96 0.1%

Profit Sharing $4 0.0%

Net Profit $174 0.1%

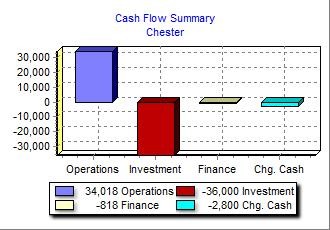
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| ***Annual Report* Page 2** | |

PRINT



***Annual Report***

#### Top



***Annual Report* Chester C59559**

## Balance Sheet

**Round: 3**

**Dec**

**. 31, 2016**

your company stocked out. Unmet demand would, of

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **DEFINITIONS: Common Size**: The common size column simply represents each item as a percentage of total assets for that year. **Cash**: Your end-of-year cash position.  **Accounts Receivable**: Reflects the lag between delivery | **ASSETS**  **Cash** | $29,787 |  | **2016**  Common  Size 17.8% | **2015**  $32,587 |
| and payment of your products. **Inventories**: The current | **Accounts Receivable** | $17,140 |  | 10.2% | $14,554 |
| value of your inventory across all products. A zero indicates | **Inventory** | $21,368 |  | 12.8% | $20,657 |
| course, fall to your competitors. **Plant & Equipment**: The | Total Current Assets |  | $68,295 | 40.8% | $67,798 |
| current value of your plant. **Accum Deprec**: The total  accumulated depreciation from your plant. **Accts Payable**: | **Plant & Equipment** | $159,260 |  | 95.1% | $123,260 |
| What the company currently owes suppliers for materials and services. **Current Debt**: The debt the company is | **Accumulated Depreciation** | ($60,121) |  | -35.9% | ($49,504) |
| obligated to pay during the next year of operations. It | Total Fixed Assets |  | $99,139 | 59.2% | $73,756 |
| includes emergency loans used to keep your company  solvent should you run out of cash during the year. **Long** |  |  |  |  |  |
| **Term Debt**: The company's long term debt is in the form of Total Assets | |  | $167,434 | 100.0% | $141,555 |
| bonds, and this represents the total value of your bonds.  **Common Stock**: The amount of capital invested by **LIABILITIES & OWNERS' EQUITY** | |  |  |  |  |
| shareholders in the company. **Retained Earnings**: The  profits that the company chose to keep instead of paying to **Accounts Payable** | | $10,468 |  | 6.3% | $10,159 |
| shareholders as dividends. **Current Debt** | | $20,522 |  | 12.3% | $30,661 |
| **Long Term Debt** | | $39,055 |  | 23.3% | $28,150 |
| Total Liabilities | |  | $70,045 | 41.8% | $68,970 |
| **Common Stock** | | $10,915 |  | 6.5% | $11,159 |
| **Retained Earnings** | | $86,474 |  | 51.6% | $61,425 |
| Total Equity | |  | $97,389 | 58.2% | $72,584 |
| Total Liab. & O. Equity | |  | $167,434 | 100.0% | $141,555 |

## Cash Flow Statement

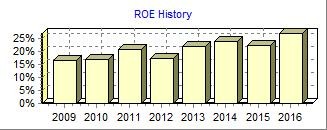
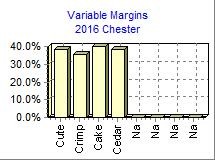
The **Cash Flow Statement** examines what happened in the Cash Account during the **Cash Flows from Operating Activities: 2016 2015**

year. Cash injections appear as positive numbers and cash withdrawals as negative numbers. The Cash Flow Statement is an excellent tool for diagnosing emergency loans. When negative cash flows exceed positives, you are forced to seek emergency funding. For example, if sales are bad and you find yourself carrying an abundance of excess inventory, the report would show the increase in inventory as a huge negative cash flow. Too much unexpected inventory could outstrip your inflows, exhaust your starting cash and force you to beg for money to keep your company afloat.

|  |  |  |
| --- | --- | --- |
| Net Income (Loss)  Depreciation | $26,389  $10,617 | $16,170  $8,217 |
| Extraordinary gains/losses/writeoffs | $0 | $0 |
| Accounts Payable | $309 | $2,121 |
| Inventory | ($711) | ($8,546) |
| Accounts Receivable | ($2,586) | ($1,881) |
| Net cash from operations  **Cash Flows from Investing Activities:**  Plant Improvements  **Cash Flows from Financing Activities:**  Dividends Paid  Sales of Common Stock Purchase of Common Stock Cash from long term debt Retirement of long term debt  Change in current debt (net)  Net cash from financing activities **Net change in cash position Closing cash position** | $34,018 | $16,081 |
| ($36,000) | ($29,300) |
| $0 | $0 |
| $0 | $2,360 |
| ($1,584) | $0 |
| $10,904 | $18,600 |
| $0 | ($11,300) |
| ($10,138) | $16,689 |
| ($818) | $26,349 |
| ($2,800) | $13,130 |
| $29,787 | $32,587 |

***Annual Report* Page 1**

#### Top



***Annual Report* Chester C59559**

**2016 Income Statement**

**Round: 3**

**Dec**

**. 31, 2016**

(Product Name:) Cute Crimp Cake Cedar Na Na

**Sales** $59,926 $45,927 $46,192 $56,496 $0 $0

###### Variable Costs:

Direct Labor $13,971 $9,467 $9,107 $11,328 $0 $0 Direct Material $22,937 $19,736 $17,703 $22,399 $0 $0 Inventory Carry $108 $445 $879 $1,132 $0 $0 Total Variable $37,017 $29,648 $27,690 $34,859 $0 $0

2016

Common

Contribution Margin $22,909 $16,280 $18,502 $21,637 $0 $0

###### Period Costs:

|  |  |
| --- | --- |
| Total  $208,541 | Size 100.0% |
| $43,873 | 21.0% |
| $82,776 | 39.7% |
| $2,564 | 1.2% |
| $129,213 | 62.0% |
| $79,328 | 38.0% |

|  |  |
| --- | --- |
| Na  $0 | Na  $0 |
| $0 | $0 |
| $0 | $0 |
| $0 | $0 |
| $0 | $0 |
| $0 | $0 |

Depreciation $2,911 $1,927 $2,720 $3,060 $0 $0 $0 $0 $10,617 5.1% SG&A: R&D $858 $655 $510 $571 $0 $0 $0 $0 $2,595 1.2%

Promotions $1,350 $1,350 $1,350 $1,350 $0 $0 $0 $0 $5,400 2.6% Sales $1,000 $1,000 $900 $900 $0 $0 $0 $0 $3,800 1.8% Admin $508 $389 $392 $479 $0 $0 $0 $0 $1,768 0.8% Total Period $6,627 $5,322 $5,872 $6,360 $0 $0 $0 $0 $24,180 11.6%

Net Margin $16,282 $10,958 $12,630 $15,277 $0 $0 $0 $0 $55,147 26.4%

Definitions: **Sales**: Unit sales times list price. **Direct Labor**: Labor costs incurred to produce the product that was sold. **Inventory Carry Cost**: the cost to carry unsold goods in inventory. **Depreciation**: Calculated on straight-line 15-year depreciation of plant value. **R&D Costs**: R&D department expenditures for each product. **Admin**: Administration overhead is estimated at 1.5% of sales. **Promotions**: The promotion budget for each product. **Sales**: The sales force budget for each product. **Other**: Charges not included in other categories such as Fees, Write Offs, and TQM. The fees include money paid to investment bankers and brokerage firms to issue new stocks or bonds plus consulting fees your instructor might assess. Write-offs include the loss you might experience when you sell capacity or liquidate inventory as the result of eliminating a production line. If the amount appears as a negative amount, then you actually made money on the liquidation of capacity or inventory. **EBIT**: Earnings Before Interest and Taxes. **Short Term Interest**: Interest expense based on last year's current debt, including short term debt, long term notes that have become due, and emergency loans. **Long Term Interest**: Interest paid on outstanding bonds. **Taxes**: Income tax based upon a 35% tax rate. **Profit Sharing**: Profits shared with employees under the labor contract. **Net Profit**: EBIT minus interest, taxes, and profit sharing.

Other $6,819 3.3%

EBIT $48,328 23.2%

Short Term Interest $2,299 1.1%

LongTerm Interest $4,603 2.2%

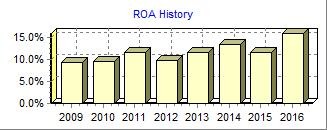
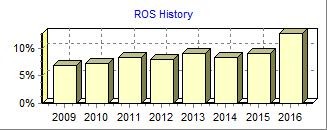
Taxes $14,499 7.0%

Profit Sharing $539 0.3%

Net Profit $26,389 12.7%

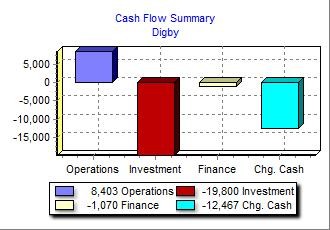
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| ***Annual Report* Page 2** | |

PRINT



***Annual Report***

#### Top



***Annual Report* Digby C59559**

## Balance Sheet

**Round: 3**

**Dec**

**. 31, 2016**

your company stocked out. Unmet demand would, of

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **DEFINITIONS: Common Size**: The common size column simply represents each item as a percentage of total assets for that year. **Cash**: Your end-of-year cash position.  **Accounts Receivable**: Reflects the lag between delivery | **ASSETS**  **Cash** | $38,303 |  | **2016**  Common  Size 18.6% | **2015**  $50,770 |
| and payment of your products. **Inventories**: The current | **Accounts Receivable** | $11,932 |  | 5.8% | $12,389 |
| value of your inventory across all products. A zero indicates | **Inventory** | $14,088 |  | 6.8% | $4,059 |
| course, fall to your competitors. **Plant & Equipment**: The | Total Current Assets |  | $64,323 | 31.2% | $67,218 |
| current value of your plant. **Accum Deprec**: The total  accumulated depreciation from your plant. **Accts Payable**: | **Plant & Equipment** | $235,300 |  | 114.0% | $215,500 |
| What the company currently owes suppliers for materials and services. **Current Debt**: The debt the company is | **Accumulated Depreciation** | ($93,158) |  | -45.1% | ($77,471) |
| obligated to pay during the next year of operations. It | Total Fixed Assets |  | $142,142 | 68.8% | $138,029 |
| includes emergency loans used to keep your company  solvent should you run out of cash during the year. **Long** |  |  |  |  |  |
| **Term Debt**: The company's long term debt is in the form of Total Assets | |  | $206,465 | 100.0% | $205,247 |
| bonds, and this represents the total value of your bonds.  **Common Stock**: The amount of capital invested by **LIABILITIES & OWNERS' EQUITY** | |  |  |  |  |
| shareholders in the company. **Retained Earnings**: The  profits that the company chose to keep instead of paying to **Accounts Payable** | | $8,296 |  | 4.0% | $7,622 |
| shareholders as dividends. **Current Debt** | | $29,290 |  | 14.2% | $41,485 |
| **Long Term Debt** | | $87,986 |  | 42.6% | $85,529 |
| Total Liabilities | |  | $125,572 | 60.8% | $134,636 |
| **Common Stock** | | $45,786 |  | 22.2% | $37,118 |
| **Retained Earnings** | | $35,107 |  | 17.0% | $33,493 |
| Total Equity | |  | $80,893 | 39.2% | $70,611 |
| Total Liab. & O. Equity | |  | $206,465 | 100.0% | $205,247 |

## Cash Flow Statement

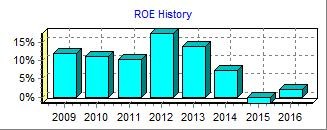
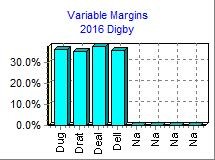
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|  |  |  |
| --- | --- | --- |
| Net Income (Loss)  Depreciation | $1,614  $15,687 | ($1,221)  $14,367 |
| Extraordinary gains/losses/writeoffs | $0 | $0 |
| Accounts Payable | $674 | ($1,204) |
| Inventory | ($10,029) | $8,042 |
| Accounts Receivable | $457 | $95 |
| Net cash from operations  **Cash Flows from Investing Activities:**  Plant Improvements  **Cash Flows from Financing Activities:**  Dividends Paid  Sales of Common Stock Purchase of Common Stock Cash from long term debt Retirement of long term debt  Change in current debt (net)  Net cash from financing activities **Net change in cash position Closing cash position** | $8,403 | $20,078 |
| ($19,800) | ($37,940) |
| $0 | $0 |
| $8,668 | $9,609 |
| $0 | $0 |
| $2,456 | $28,650 |
| $0 | ($11,300) |
| ($12,194) | $16,208 |
| ($1,070) | $43,167 |
| ($12,467) | $25,305 |
| $38,303 | $50,770 |

***Annual Report* Page 1**

#### Top



***Annual Report* Digby C59559**

**2016 Income Statement**

**Round: 3**

**Dec**

**. 31, 2016**

(Product Name:) Dug Drat Deal Dell Na Na

**Sales** $31,429 $32,844 $38,281 $42,619 $0 $0

###### Variable Costs:

Direct Labor $5,880 $6,089 $7,322 $8,011 $0 $0 Direct Material $13,806 $14,751 $16,057 $18,992 $0 $0 Inventory Carry $317 $394 $490 $489 $0 $0 Total Variable $20,003 $21,234 $23,869 $27,492 $0 $0

2016

Common

Contribution Margin $11,427 $11,609 $14,412 $15,127 $0 $0

###### Period Costs:

|  |  |
| --- | --- |
| Total  $145,174 | Size 100.0% |
| $27,302 | 18.8% |
| $63,606 | 43.8% |
| $1,691 | 1.2% |
| $92,598 | 63.8% |
| $52,576 | 36.2% |

|  |  |
| --- | --- |
| Na  $0 | Na  $0 |
| $0 | $0 |
| $0 | $0 |
| $0 | $0 |
| $0 | $0 |
| $0 | $0 |

Depreciation $4,447 $4,907 $2,913 $3,420 $0 $0 $0 $0 $15,687 10.8% SG&A: R&D $1,000 $1,000 $0 $0 $0 $0 $0 $0 $2,000 1.4%

Promotions $1,250 $1,250 $1,250 $1,250 $0 $0 $0 $0 $5,000 3.4% Sales $1,400 $1,400 $1,100 $1,100 $0 $0 $0 $0 $5,000 3.4%

Admin $286 $298 $348 $387 $0 $0 $0 $0 $1,319 0.9% Total Period $8,382 $8,855 $5,611 $6,157 $0 $0 $0 $0 $29,006 20.0%

Net Margin $3,044 $2,754 $8,801 $8,970 $0 $0 $0 $0 $23,570 16.2%

Definitions: **Sales**: Unit sales times list price. **Direct Labor**: Labor costs incurred to produce the product that was sold. **Inventory Carry Cost**: the cost to carry unsold goods in inventory. **Depreciation**: Calculated on straight-line 15-year depreciation of plant value. **R&D Costs**: R&D department expenditures for each product. **Admin**: Administration overhead is estimated at 1.5% of sales. **Promotions**: The promotion budget for each product. **Sales**: The sales force budget for each product. **Other**: Charges not included in other categories such as Fees, Write Offs, and TQM. The fees include money paid to investment bankers and brokerage firms to issue new stocks or bonds plus consulting fees your instructor might assess. Write-offs include the loss you might experience when you sell capacity or liquidate inventory as the result of eliminating a production line. If the amount appears as a negative amount, then you actually made money on the liquidation of capacity or inventory. **EBIT**: Earnings Before Interest and Taxes. **Short Term Interest**: Interest expense based on last year's current debt, including short term debt, long term notes that have become due, and emergency loans. **Long Term Interest**: Interest paid on outstanding bonds. **Taxes**: Income tax based upon a 35% tax rate. **Profit Sharing**: Profits shared with employees under the labor contract. **Net Profit**: EBIT minus interest, taxes, and profit sharing.

Other $6,056 4.2%

EBIT $17,514 12.1%

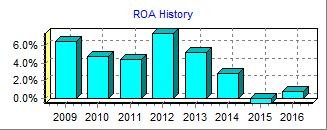
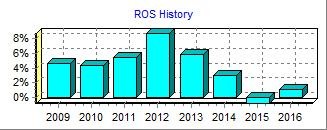
Short Term Interest $3,749 2.6%

LongTerm Interest $11,230 7.7%

Taxes $887 0.6%

Profit Sharing $33 0.0%

Net Profit $1,614 1.1%



|  |  |
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| ***Annual Report* Page 2** | |