

**NANYANG BUSINESS SCHOOL
NANYANG TECHNOLOGICAL UNIVERSITY**

BC3406: BUSINESS ANALYTICS CONSULTING

Case: Joses Electrical Distribution

Case Questions

1. How well is Jones Electrical Distribution performing? What must Jones do well to succeed?
2. Why does a business that has a profit of \$30,000 per year need a bank loan?
3. What drove the increase in Jones' accounts receivable and inventory balances in 2005 and 2006?
4. Is Nelson Jones' estimate that a \$350,000 line of credit is sufficient for 2007 accurate?
5. When will Jones be able to repay the line of credit?
6. What could Jones do to reduce the size of the line of credit he needs?
7. What are the implications for Jones' lifestyle of accepting the new, larger line of credit?