BT 200: Financial Accounting

Spring 2017

Written Assignment # 1

This assignment is based on the financial statements of a real company. Each student should prepare his or her own assignment independently without collaboration.

Your assignment should be handwritten, not typed. The assignment is due at the beginning of class on Thursday February 2nd.[[1]](#footnote-1) In case you are unable to attend class for any reason on February 2nd, you can submit your assignment early.

**Instructions:**

1. Select one of the following companies:

* Starbucks Corporation (NASDAQ:SBUX)
* Dunkin Brands Group Inc (NASDAQ:DNKN)
* Apple Inc. (NASDAQ:AAPL)
* Microsoft Corporation (NASDAQ:MSFT)

1. Locate the company’s most recent Form 10-K on the SEC website [www.sec.gov](http://www.sec.gov)[[2]](#footnote-2) or on the company’s Investor Relations website, and answer the following questions, using complete sentences where appropriate.
2. What is the date of the company’s most recent fiscal year end?
3. On what page of the Form 10-K is the company’s balance sheet?
4. How much Cash (including Cash Equivalents) did the company have as of the most recent fiscal year end?
5. What were the company’s total assets as of the most recent fiscal year end?
6. Write the company’s accounting equation for each of the most recent two fiscal years by filling in dollar amounts. Assets = Liabilities + Equity

Grading Rubric

|  |  |  |
| --- | --- | --- |
| Excellent | 100 | * Complies with all requirements. * Correct information. * Content shows evidence of thoughtfulness. * Impeccable spelling and grammar. |
| Good | 90 | * Complies with all requirements. * Correct information. |
| Okay | 80 | * Complies with all requirements. * Some incorrect information. |
| Poor | 60 | * Does not comply with all requirements. * Incorrect information. |
| Unacceptable | 0 | * Incomplete or missing. OR * Uses directly quoted information without proper attribution. |

**Example of Assignment using Under Armour, Inc.**

*This example is based on the most recent Form 10-K available at the time of this writing, Under Armour’s 2015 Form 10-K which was filed on February 22, 2016.*

1. What is the date of the company’s most recent fiscal year end?

*The date of Under Armour’s most recent fiscal year end is December 31, 2015*

1. On what page is the company’s balance sheet?

*Under Armour’s Balance Sheet is on page 44 of the company’s Form 10-K.*

1. How much Cash (including Cash Equivalents) did the company have as of the most recent fiscal year end?

*As of December 31, 2015, Under Armour had Cash and cash equivalents of $129,852 thousand.*

*Alternative: As of December 31, 2015, Under Armour had Cash and cash equivalents of $129.9 million.*

1. What were the company’s total assets as of the most recent fiscal year end?

*As of December 31, 2015, Under Armour had Total Assets of $2,868,900 thousand.*

*Alternative: As of December 31, 2015, Under Armour had Total Assets of $2.9 billion.*

1. Write the company’s accounting equation for each of the most recent two fiscal years by filling in dollar amounts. Assets = Liabilities + Equity

|  |  |  |  |
| --- | --- | --- | --- |
|  | ASSETS = | LIABILITIES + | EQUITY |
|  | *(Dollars in Thousands)* | | |
| As of December 31, 2015 | $ 2,868,900 = | $ 1,200,678 + | $ 1,668,222 |
| As of December 31, 2014 | $ 2,095,083 = | $ 744,783 + | $ 1,350,300 |

**Under Armour, Inc. and Subsidiaries** **Consolidated Balance Sheets** *(In thousands, except share data)*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **December 31, 2015** | | |  | **December 31, 2014** | | |
| **Assets** |  | | |  |  | | |
| Current assets |  | | |  |  | | |
| Cash and cash equivalents | $ | 129,852 |  |  | $ | 593,175 |  |
| Accounts receivable, net | 433,638 | |  |  | 279,835 | |  |
| Inventories | 783,031 | |  |  | 536,714 | |  |
| Prepaid expenses and other current assets | 152,242 | |  |  | 87,177 | |  |
| Deferred income taxes | — | |  |  | 52,498 | |  |
| Total current assets | 1,498,763 | |  |  | 1,549,399 | |  |
| Property and equipment, net | 538,531 | |  |  | 305,564 | |  |
| Goodwill | 585,181 | |  |  | 123,256 | |  |
| Intangible assets, net | 75,686 | |  |  | 26,230 | |  |
| Deferred income taxes | 92,157 | |  |  | 33,570 | |  |
| Other long term assets | 78,582 | |  |  | 57,064 | |  |
| Total assets | $ | 2,868,900 |  |  | $ | 2,095,083 |  |
| **Liabilities and Stockholders’ Equity** |  | | |  |  | | |
| Current liabilities |  | | |  |  | | |
| Accounts payable | $ | 200,460 |  |  | $ | 210,432 |  |
| Accrued expenses | 192,935 | |  |  | 147,681 | |  |
| Current maturities of long term debt | 42,000 | |  |  | 28,951 | |  |
| Other current liabilities | 43,415 | |  |  | 34,563 | |  |
| Total current liabilities | 478,810 | |  |  | 421,627 | |  |
| Long term debt, net of current maturities | 352,000 | |  |  | 255,250 | |  |
| Revolving credit facility, long term | 275,000 | |  |  | — | |  |
| Other long term liabilities | 94,868 | |  |  | 67,906 | |  |
| Total liabilities | 1,200,678 | |  |  | 744,783 | |  |
| Commitments and contingencies (see Note 7) |  | |  |  |  | |  |
| Stockholders’ equity |  | | |  |  | | |
| Class A Common Stock, $0.0003 1/3 par value; 400,000,000 shares authorized as of December 31, 2015 and 2014; 181,646,468 shares issued and outstanding as of December 31, 2015 and 177,295,988 shares issued and outstanding as of December 31, 2014. | 61 | |  |  | 59 | |  |
| Class B Convertible Common Stock, $0.0003 1/3 par value; 34,450,000 shares authorized, issued and outstanding as of December 31, 2015 and 36,600,000 shares authorized, issued and outstanding as of December 31, 2014. | 11 | |  |  | 12 | |  |
| Class C Common Stock, $0.0003 1/3 par value; 400,000,000 shares authorized as of December 31, 2015; 0 shares issued and outstanding as of December 31, 2015. | — | |  |  | — | |  |
| Additional paid-in capital | 636,630 | |  |  | 508,350 | |  |
| Retained earnings | 1,076,533 | |  |  | 856,687 | |  |
| Accumulated other comprehensive loss | (45,013 | | ) |  | (14,808 | | ) |
| Total stockholders’ equity | 1,668,222 | |  |  | 1,350,300 | |  |
| Total liabilities and stockholders’ equity | $ | 2,868,900 |  |  | $ | 2,095,083 |  |

1. Late assignments will be penalized 10 points. [↑](#footnote-ref-1)
2. On the home page of the SEC, select “company filings” in the top right corner. On the next page type the company’s name. On the next page, in the box labeled “Filing type” enter 10-K. [↑](#footnote-ref-2)