



CAREER CLUSTER

Finance

CAREER PATHWAY

Corporate Finance

INSTRUCTIONAL AREA

Financial Analysis

BUSINESS FINANCE SERIES EVENT

PARTICIPANT INSTRUCTIONS

- The event will be presented to you through your reading of the 21st Century Skills, Performance Indicators and Event Situation. You will have up to 10 minutes to review this information and prepare your presentation. You may make notes to use during your presentation.
- You will have up to 10 minutes to make your presentation to the judge (you may have more than one judge).
- You will be evaluated on how well you demonstrate the 21st Century Skills and meet the performance indicators of this event.
- Turn in all of your notes and event materials when you have completed the event.

21st CENTURY SKILLS

- Critical Thinking – Reason effectively and use systems thinking.
- Problem Solving – Make judgments and decisions and solve problems.
- Communication – Communicate clearly.
- Creativity and Innovation – Show evidence of creativity.

PERFORMANCE INDICATORS

- Discuss the nature of pro forma statements.
- Perform responsibility center budgeting (i.e., cost, profit, investment, revenue).
- Describe the need for financial information.
- Select and use appropriate graphic aids.
- Organize information.

EVENT SITUATION

You are to assume the role of a financial advisor for BLUEBERRY BAKERY, a local bakery. The owner (judge) wants your help in creating a budget for the upcoming year.

The owner (judge) has provided you with some information about BLUEBERRY BAKERY below:

- Revenues are expected to be around \$70,000 per month. However, February, April, November, and December are generally 15% higher.
- The cost of ingredients is estimated at 35% of sales.
- Rent is currently \$3,000 per month.
- Utilities are expected to be \$230 per month for the entire year.
- Employees are paid \$20 per hour, and the company does not offer any benefits. The employer portion of FICA taxes is 7.65%. The employer's combined FUTA and SUTA tax rates are 2%.
- Six employees work 8-hour shifts per day and the bakery is open every day.

The owner (judge) wants you to:

- Discuss the nature of pro forma financial statements and the need to create budgetary amounts.
- Create a budget for the months of January through March so the owner can use it to create the budget for the remaining 9 months.
- Display the budget in a format that is organized and easy to follow, similar to an income statement.

You will provide the information to the owner (judge) in a role-play to take place in the owner's (judge's) office. The owner (judge) will begin the role-play by greeting you and asking to hear your presentation. After you have presented the information and have answered the owner's (judge's) questions, the owner (judge) will conclude the role-play by thanking you for your work.

JUDGE INSTRUCTIONS

DIRECTIONS, PROCEDURES AND JUDGE ROLE

In preparation for this event, you should review the following information with your event manager and other judges:

1. Participant Instructions, 21st Century Skills and Performance Indicators
2. Event Situation
3. Judge Role-Play Characterization
Allow the participants to present their ideas without interruption, unless you are asked to respond. Participants may conduct a slightly different type of meeting and/or discussion with you each time; however, it is important that the information you provide and the questions you ask be uniform for every participant.
4. Judge Evaluation Instructions and Judge Evaluation Form
Please use a critical and consistent eye in rating each participant.

JUDGE ROLE-PLAY CHARACTERIZATION

You are to assume the role of the owner for BLUEBERRY BAKERY, a local bakery. You want the financial advisor's (participant's) help in creating a budget for the upcoming year.

You have provided the financial advisor (participant) with some information about BLUEBERRY BAKERY below:

- Revenues are expected to be around \$70,000 per month. However, February, April, November, and December are generally 15% higher.
- The cost of ingredients is estimated at 35% of sales.
- Rent is currently \$3,000 per month.
- Utilities are expected to be \$230 per month for the entire year.
- Employees are paid \$20 per hour, and the company does not offer any benefits. The employer portion of FICA taxes is 7.65%. The employer's combined FUTA and SUTA tax rates are 2%.
- Six employees work 8-hour shifts per day and the bakery is open every day.

You want the financial advisor (participant) to:

- Discuss the nature of pro forma financial statements and the need to create budgetary amounts.
- Create a budget for the months of January through March so you can use it to create the budget for the remaining 9 months.
- Display the budget in a format that is organized and easy to follow, similar to an income statement.

The participant will provide information to you in a role-play to take place in your office. You will begin the role-play by greeting the participant and asking to hear the information.

During the course of the role-play, you are to ask the following questions of each participant:

1. How often should we review the budget to make sure it is still accurate?
2. What are the reasons we might go over budget in a given month?

Once the financial advisor (participant) has presented the information and has answered your questions, you will conclude the role-play by thanking the financial advisor (participant) for the work.

You are not to make any comments after the event is over except to thank the participant.

SOLUTION

Budget:

Blueberry Baker			
Budget			
	<u>January</u>	<u>February</u>	<u>March</u>
Revenue	70,000	80,500	70,000
COGS	<u>24,500</u>	<u>28,175</u>	<u>24,500</u>
Gross profit	45,500	52,325	45,500
Rent expense	3,000	3,000	3,000
Utilities expense	230	230	230
Salaries expense	29,760	26,880	29,760
Payroll tax expense	<u>2,872</u>	<u>2,594</u>	<u>2,872</u>
Total expenses	35,862	32,704	35,862
Net income	9,638	19,621	9,638

Notes:

- February revenue is $70,000 \times 1.15$ per the facts provided.
- Cost of good sold is calculated as 35% of revenue for each month.
- Salaries for January and March were calculated for 31 days and 28 days for February.
- Payroll tax expense is $7.65\% + 2\% = 9.65\%$ of salaries.

EVALUATION INSTRUCTIONS

The participants are to be evaluated on their ability to perform the specific performance indicators stated on the cover sheet of this event and restated on the Judge's Evaluation Form. Although you may see other performance indicators demonstrated by the participants, those listed in the Performance Indicators section are the critical ones you are measuring for this particular event.

Evaluation Form Interpretation

The evaluation levels listed below and the evaluation rating procedures should be discussed thoroughly with your event director and the other judges to ensure complete and common understanding for judging consistency.

Level of Evaluation	Interpretation Level
Exceeds Expectations	Participant demonstrated the performance indicator in an extremely professional manner; greatly exceeds business standards; would rank in the top 10% of business personnel performing this performance indicator.
Meets Expectations	Participant demonstrated the performance indicator in an acceptable and effective manner; meets at least minimal business standards; there would be no need for additional formalized training at this time; would rank in the 70-89 th percentile of business personnel performing this performance indicator.
Below Expectations	Participant demonstrated the performance indicator with limited effectiveness; performance generally fell below minimal business standards; additional training would be required to improve knowledge, attitude and/or skills; would rank in the 50-69 th percentile of business personnel performing this performance indicator.
Little/No Value	Participant demonstrated the performance indicator with little or no effectiveness; a great deal of formal training would be needed immediately; perhaps this person should seek other employment; would rank in the 0-49 th percentile of business personnel performing this performance indicator.



BUSINESS FINANCE SERIES 2025

JUDGE'S EVALUATION FORM ICDC PRELIMINARY 1

Participant: _____

ID Number: _____

INSTRUCTIONAL AREA: Financial Analysis

Did the participant:		Little/No Value	Below Expectations	Meets Expectations	Exceeds Expectations	Judged Score
PERFORMANCE INDICATORS						
1.	Discuss the nature of pro forma statements?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
2.	Perform responsibility center budgeting (i.e., cost, profit, investment, revenue)?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
3.	Describe the need for financial information?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
4.	Select and use appropriate graphic aids?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
5.	Organize information?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
21st CENTURY SKILLS						
6.	Reason effectively and use systems thinking?	0-1	2-3	4	5-6	
7.	Make judgments and decisions, and solve problems?	0-1	2-3	4	5-6	
8.	Communicate clearly?	0-1	2-3	4	5-6	
9.	Show evidence of creativity?	0-1	2-3	4	5-6	
10.	Overall impression and responses to the judge's questions	0-1	2-3	4	5-6	
TOTAL SCORE						