



**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 21<sup>st</sup> 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 21<sup>st</sup> 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.

**21<sup>st</sup> 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**

---

- Describe the need for financial information.
- Explain the use of cash budgets.
- Prepare cash flow budgets/forecasts.
- Select and use appropriate graphic aids.
- Organize information.

## EVENT SITUATION

---

You are to assume the role of finance manager for HANS PRODUCTIONS. The owner (judge) needs you to create a cash flow budget and make recommendations about saving to purchase land for a new facility in the future.

The owner (judge) wants to purchase land to build a new facility for HANS PRODUCTIONS. The company's estimated annual revenue is \$8,200,000 in year one, and it is expected to increase by 4% each year for the next two years. The land will be purchased at the end of the third year. The estimated cost of the land in three years is \$28,800,000.

Currently, HANS PRODUCTIONS does not have the cash for the required 20% down payment. Assume the fixed and variable costs that cannot be changed are 85% of its annual revenue. The remaining 15% of costs are non-essential variable costs or expenses that could be cut temporarily.

The owner (judge) wants you to prepare the following for a meeting:

- Prepare a three-year cash budget which allows for savings of 20% of the cost of the land by the end of year three
- Discuss the budget you created and defend any cost cutting measures recommended including the types of accounts/expenses that must be reduced
- Create a visual summary of the budget for the owner to review

You will present 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 analysis. 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, 21<sup>st</sup> 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 of HANS PRODUCTIONS. You need the finance manager (participant) to create a cash flow budget and make recommendations about saving to purchase land for a new facility in the future.

You want to purchase land to build a new facility for HANS PRODUCTIONS. The company's estimated annual revenue is \$8,200,000 in year one, and it is expected to increase by 4% each year for the next two years. The land will be purchased at the end of the third year. The estimated cost of the land in three years is \$28,800,000.

Currently, HANS PRODUCTIONS does not have the cash for the required 20% down payment. Assume the fixed and variable costs that cannot be changed are 85% of its annual revenue. The remaining 15% of costs are non-essential variable costs or expenses that could be cut temporarily.

You want the finance manager (participant) to prepare the following for a meeting:

- Prepare a three-year cash budget which allows for savings of 20% of the cost of the land by the end of year three
- Discuss the budget you created and defend any cost cutting measures recommended including the types of accounts/expenses that must be reduced
- Create a visual summary of the budget for the owner to review

The participant will present 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 about his/her ideas.

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

1. Other than cutting costs, what are your recommendations on how to increase revenue during the three-year period?
2. Why is it important to plan so far in advance?

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

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

## SOLUTION

---

### Sample cash budget (3-years)

	Year 1	Year 2	Year 3	Total
Revenue	8,200,000	8,528,000	8,869,120	25,597,120
Fixed costs	<u>6,970,000</u>	<u>7,248,800</u>	<u>7,538,752</u>	<u>21,757,552</u>
Net savings	1,230,000	1,279,200	1,330,368	3,839,568
recommended reduction in expenses (@ 9%)	<u>627,300</u>	<u>652,392</u>	<u>678,488</u>	<u>1,958,180</u>
Revised savings	1,857,300	1,931,592	2,008,856	5,797,748

HANS PRODUCTIONS needs to reduce its variable or other non-essential expenses by around 9% if it wants to save at least \$5,760,000 ( $28,800,000 \times .20$ ) by the end of year three. This solution assumes the spending is a percentage of revenue and varies each year rather than using the static amount from year one. It is assumed all revenue is collected in cash by the end of year three (ignore the possibility of sales on account and the corresponding accounts receivable). The solution also assumes the savings is not invested in growth or income producing assets since present values were not provided.

Some costs that may be part of the 9% reduction of spending could include, but are not limited to:

- Advertising and/or marketing
- Employee perks
- Meals and entertainment
- Subscriptions
- Supplies
- Training and development
- Utilities (if variable usage could be managed)
- Lower rate increases for employees for the next few years and/or bonuses

Revenue is multiplied by 4% each year to obtain the growth from year to year. The expenses are 85% of the appropriate year's revenue. The estimated 9% of reduction in spending is an assumption – competitors could use a different percentage or assume the client is investing money in funds with positive returns.

## 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.

<b>Level of Evaluation</b>	<b>Interpretation Level</b>
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 <sup>th</sup> 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 <sup>th</sup> 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 <sup>th</sup> percentile of business personnel performing this performance indicator.



**BUSINESS FINANCE SERIES  
2026**

**JUDGE'S EVALUATION FORM  
DISTRICT EVENT 2**

Participant: \_\_\_\_\_

**INSTRUCTIONAL AREA:  
Financial Analysis**

ID Number: \_\_\_\_\_

Did the participant:		Little/No Value	Below Expectations	Meets Expectations	Exceeds Expectations	Judged Score
<b>PERFORMANCE INDICATORS</b>						
1.	Describe the need for financial information?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
2.	Explain the use of cash budgets?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
3.	Prepare cash flow budgets/forecasts?	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	
<b>21<sup>st</sup> CENTURY SKILLS</b>						
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	
<b>TOTAL SCORE</b>						