



BUSINESS FINANCE SERIES EVENT

CAREER CLUSTER
Finance

CAREER PATHWAY
Corporate Finance

INSTRUCTIONAL AREA
Financial Analysis

PARTICIPANT INSTRUCTIONS

This event is presented to you through your review of the Career Competencies, Performance Indicators and Event Situation.

You have up to 10 minutes to review this information and prepare your presentation. Using the materials provided, you may make notes to use during your presentation.

You will have up to 10 minutes to present to the judge(s).

You will be evaluated on your solution to the event situation, how you incorporate the performance indicators of this event and how you demonstrate the career competencies.

Turn in all your notes and event materials when you have completed the event.

SOLUTION

- Accurate – Demonstrate appropriate finance acumen.
- Practical – Develop an actionable/viable solution in a real-world context.
- Effective – Develop a solution that achieves relevant outcomes.

CAREER COMPETENCIES

- Critical Thinking – Think critically to understand and solve problems.
- Communication – Communicate clearly, effectively and with reason.
- Decision Making – Consider the impacts of decisions.

PERFORMANCE INDICATORS

- Explain the role of finance in business.
- Describe the nature of short-term financial management.
- Analyze the impact of accounts receivable collection on working capital cycle.
- Employ communication styles appropriate to target audience.
- Organize information.

EVENT SITUATION

You are to assume the role of a financial analyst at BOSTON FLOWERS. The controller (judge) wants to know how changes to accounts receivable collections may impact the company's working capital cycle. The controller (judge) wants to know the current number of days for the company's working capital cycle.

The company's current financial data:

- Sales on Credit: \$120,000 per month
- Average Collection Period: 45 days
- Current Accounts Receivable: \$180,000
- Cost of Goods Sold (COGS): \$80,000 per month
- Average Monthly Inventory: \$100,000
- Accounts Payable Period: 30 days

You will need to calculate the following ratios to obtain the current working capital cycle days:

- Days Inventory Outstanding (DIO)
- Days Sales Outstanding (DSO)
- Days Payable Outstanding (DPO)
- Cash Conversion Cycle (CCC, also known as working capital cycle in days)

The current average collection period is 45 days. The controller (judge) wants to know how the working capital cycle would change if the average collection period were reduced to 30 days.

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

JUDGE INSTRUCTIONS

JUDGE CHARACTERIZATION

You are to assume the role of the controller at BOSTON FLOWERS. You have asked the financial analyst (participant) how changes to accounts receivable collections may impact the company's working capital cycle. You want to know the current number of days for the company's working capital cycle.

The company's current financial data:

- Sales on Credit: \$120,000 per month
- Average Collection Period: 45 days
- Current Accounts Receivable: \$180,000
- Cost of Goods Sold (COGS): \$80,000 per month
- Average Monthly Inventory: \$100,000
- Accounts Payable Period: 30 days

The financial analyst (participant) will need to calculate the following ratios to obtain the current working capital cycle days:

- Days Inventory Outstanding (DIO)
- Days Sales Outstanding (DSO)
- Days Payable Outstanding (DPO)
- Cash Conversion Cycle (CCC, also known as working capital cycle in days)

The current average collection period is 45 days. You want to know how the working capital cycle would change if the average collection period were reduced to 30 days.

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. Do the collection period and the accounts payable period need to match?
2. How can shortening the collection period potentially harm the company?

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

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

SOLUTION

The nature of short-term financial management –

Short-term financial management is concerned with managing a company's current assets and liabilities to ensure efficient operation and optimal cash flow management within a short timeframe, typically less than a year. It involves several key components and strategies that aim to maintain liquidity, enable smooth day-to-day operations, and ensure the firm can meet its short-term obligations. Components of short-term financial management may include (but not limited to):

- Working capital management includes managing cash, accounts receivable, inventory, and accounts payable to ensure adequate liquidity.
- Efficient cash management involves handling cash inflows and outflows to maintain an optimal cash balance. This includes forecasting cash needs, controlling cash collections and disbursements, and investing surplus cash.
- Accounts receivable management requires good internal policies regarding extending credit to customers. It also requires timely collection of receivables to ensure cash flow.
- Efficient management of inventory minimizes carrying costs while ensuring production and sales processes are not disrupted. Techniques like Just-in-Time (JIT) can be employed to optimize inventory levels.
- Managing payment obligations to suppliers and creditors efficiently by delaying payments to the extent feasible without incurring penalties helps optimize cash flow.

Calculations of the working capital cycle -

- DIO is found by: $\text{Average Inventory}/\text{COGS} \times 30 \text{ days}$ so $\$100,000/80,000 = 1.25 \times 30 = 37.5$ days
- DSO is the same as the average collection period, but can be found by: $\text{Accounts receivable}/\text{sales on credit} \times 30 \text{ days} = \$180,000/120,000 \times 30 = 45$ days
- DPO is the same as the accounts payable period of 30 days. This cannot be calculated as the value of accounts payable is not provided in the dataset.
- CCC is the same as the working capital cycle and is found by: $\text{DIO} + \text{DSO} - \text{DPO}$ which is $37.5 \text{ days} + 45 \text{ days} - 30 \text{ days} = 52.5 \text{ days}$
- If the average collection period is reduced to 30 days the CCC result would be 37.5 days, found by $37.5 \text{ days} + 30 \text{ days} - 30 \text{ days} = 37.5 \text{ days}$.

Based on the calculations, the working capital cycle is currently 52.5 days. The main components of working capital for Boston Flowers are accounts receivable, accounts payable, and inventory. We are paying our vendors every 30 days; it is good policy to delay payments as long as possible to manage our liquidity. However, our customers are taking about 45 days to pay us. If we can reduce the time of

collection to 30 days, it would improve the working capital cycle to 37.5 days (a reduction of 15 days in the working capital cycle). We may want to consider ways to reduce the days in inventory to improve the working capital cycle even more.

EVALUATION INSTRUCTIONS

- The participants are to be evaluated on their solution and ability to apply the specific performance indicators stated on the cover sheet of this event and restated on the Judge's Evaluation Form. Although the participants may demonstrate other performance indicators, those listed in the Performance Indicators section are the selected ones you are evaluating for this particular event.
- Maintain a consistent expectation when evaluating each participant.
- The maximum score for the evaluation is 100 points. This presentation will be valued at one-third of the total score.

Levels of Evaluation

FOCUS AREA	NOVICE	DEVELOPING	PROFICIENT	EXEMPLARY
Content Understanding	Demonstrates a limited or inaccurate understanding of key concepts.	Demonstrates a basic understanding of key concepts.	Demonstrates a solid understanding of key concepts and clearly explains and supports ideas using appropriate evidence.	Demonstrates comprehensive understanding of concepts and applies them effectively to solve the scenario, including in more complex or extended contexts.
Application of Performance Indicators and Career Competencies	Lists the performance indicators and career competencies, but understanding is incomplete or inaccurate.	Defines the performance indicators and career competencies, but does not connect them to solve the objective of the case study scenario.	Explains the performance indicators and career competencies and connects them to solve the objective of the case study scenario.	Strategically applies the performance indicators and career competencies and connects them to comprehensively solve the objective of the case study scenario.
Reasoning	Ideas are unclear, inaccurate, or lack logical support. There is no application of the ideas and concept.	Ideas are present and somewhat logical but contain gaps in reasoning, development, or supporting evidence.	Ideas are logical, well-developed, and supported with appropriate evidence, with only minor gaps.	Ideas are logical, well-supported using appropriate business concept and theories and demonstrates reasoning with clear practicality and real-world relevance.
Workplace Readiness	Participants represent an employee who requires significant guidance and support to complete tasks.	Participants represent an employee who demonstrates basic skills and can complete routine tasks with some guidance.	Participants represent an employee with solid skills and who works independently to complete tasks effectively.	Participants represent an employee with advanced skills, works independently, and adapts effectively to new or unpredictable challenges.



BUSINESS FINANCE SERIES – 2026

JUDGE'S EVALUATION FORM
DISTRICT EVENT 1

Participant: _____

ID Number: _____

INSTRUCTIONAL AREA:
Financial Analysis

Rate the participant's ability to:		Novice	Developing	Proficient	Exemplary	Judged Score
PERFORMANCE INDICATORS						
1.	Explain the role of finance in business.	0-1-2-3	4-5-6	7-8-9	10	
2.	Describe the nature of short-term financial management.	0-1-2-3	4-5-6	7-8-9	10	
3.	Analyze the impact of accounts receivable collection on working capital cycle.	0-1-2-3	4-5-6	7-8-9	10	
4.	Employ communication styles appropriate to target audience.	0-1-2-3	4-5-6	7-8-9	10	
5.	Organize information.	0-1-2-3	4-5-6	7-8-9	10	
SOLUTION						
6.	Accurate Demonstrate appropriate finance acumen.	0-1-2	3-4-5	6-7	8	
7.	Practical Develop an actionable/viable solution in a real-world context.	0-1-2	3-4-5	6-7	8	
8.	Effective Develop a solution that achieves relevant outcomes.	0-1-2	3-4-5	6-7	8	
CAREER COMPETENCIES						
9.	Critical Thinking Think critically to understand and solve problems.	0-1	2-3	4-5	6	
10.	Communication Communicate clearly, effectively and with reason.	0-1	2-3	4-5	6	
11.	Decision Making Consider the impacts of decisions.	0-1	2-3	4-5	6	
OVERALL IMPRESSION						
12.	Demonstrate overall career readiness through professionalism, poise and confidence.	0-1-2	3-4-5	6-7	8	
TOTAL SCORE						