

MBAD 7090

Project Assignment – Chapter 11

1. Describe the major components of your company's borrowings for the most recent year end. Have these changed substantially during the most recent year?
2. Compute the following ratios for your project company for the past two years:
 - a. Debt/Equity
 - b. Long-Term Debt to Equity
 - c. Interest Coverage (Times Interest Earned)
 - d. Financial Leverage Index (FLI)
 - e. Financial Structure Leverage Index (FSLR)

Has your company's credit quality been decreasing or increasing over this period?

3. Compute Altman's Z score for the most recent two years. Has your company's credit quality based on this measure improved or decline during this period? What has caused this change?
4. What is your company's debt rating based on Standard & Poors? Why do you think they have this rating?