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| Number of pages:   * 6 (1650 words) * [SOS: Increase number of pages](http://www.qualitywriters.net/pa/project-view?dtt%5bproject%5d=4970296#sos-additional_requests-2)   Spacing:   * double spaced | Number of sources:7 |
| Style:APA | Language:English(U.S.) |
| Topic: Investment Oopportunity | |
| Description: | |
| This paper must have a one page executive summary, Income Statement, Cash Flow Statement and Balance Sheet. You must use the information and numbers in the scenario below. If any additional numbers are needed, you can plug in additional numbers to fit whatever equation you are using. Thank you   Group Project Information:   Below is the information related to the group project for this course. Your instructor will assign you into a group during Week 4.This allows time for students to drop/add during the first 3 weeks of the course. Group Projects provide the opportunity to work with your classmates and will be a necessary part of the Financial Management workforce. Please use this occasion to demonstrate your strengths and allow group members to do the same.   There are a lot of opportunities in this project to be creative. While some data are provided, you may wish to include additional information and this is encouraged. In other words, if itâs not there, you are to include it! Critically thinking and creativity are vital to your success in the work place and this project is a great chance to build those talents. You may want to devise a plan for additional manufacturing plants or you may want to discuss ways to better communicate with the owners. The possibilities are endless, but the time for the project is not! Be creative and have fun. This is the time to take risks as it is a classroom setting.   Background of Project   The industry of medical devices involves a number of monitoring and reconstructive devices. Some of those devices include cardiac and diabetic care as well as hip and knee replacements. The owners of a medical device manufacturing firm called âJointsOrthoâ have recently reviewed information about the expected growth of the aging population in the United States. Every day 10,000 Americans are turning age 65 every the population of older adults is expected to reach 89 million people by the year 2050. This figure is more than double the number of older adults in the United States in 2010.   Orthopedic medical devices are one of the fastest growing areas in medical device manufacturing. The owners of JointsOrtho or JO, manufacture full hip and knee replacements and would like to have your firm set up a financial plan for opening a new manufacturing plant that makes medical devices often used for Orthopedics. Specifically you will set up a plant that manufactures Full Hip Replacements in Delaware. Each Full Hip Replacement will be sold throughout the United States at a cost of $36,750 each, including shipping, etc.   Sales are expected to be between 1,000 and 1,200 hips per month. This figure is above what they are already producing in their first plant.   Depreciation for equipment should be set to 10 years.   Beyond the information provided you are unable to get any further guidance from the owners or the Financial Department at the other warehouse location. Remember, you are setting up a project proposal and sending your recommendations to the owners of JointsOrtho. You will be presenting it to them in teleconference. You may wish to do the written portion of the assignment in a Word Document or PowerPoint. If you use PowerPoint be sure to use the notes section to write out detailed information. A reference sheet/page is required for either format you select. The Financial Statements can be included in the same document or submitted separately. Each Group Member must submit all documents to their Assignment Folder!    You will need to provide information to the owners of JointsOrtho that includes what it will cost to open a facility and hire workers and determine if the facility will breakeven within the first 12 months.    You will be hiring a total of 3 shift supervisors and a total of 45 employees (including shift supervisors) to do various manufacturing of the hips, clean up, shipping, etc. The 45 workers will be paid as follows:  15 of the workers will be paid at the rate of $18/hour for 40 hours per week (molding specialists)  10 of the workers will be paid at the rate of $16/hour for 40 hours per week (machining specialists)  5 of the workers will be paid at the rate of $13/hour for 40 hours per week (cleaning and maintenance)   10 of the workers will be paid at the rate of $17/hour for 40 hours per week (shipping and receiving)  3 shift supervisors will be paid at the rate of $20/hour for 40 hours per week  1 plant manager will be paid a salary of $6,000 per month  1 administrative/human resources person at the rate of $15/hour for 40 hours per week   Criteria for the project:  This project is meant to develop your critical thinking skills while allowing you to be creative. It is a group project so you will need to coordinate with various members of your group on how to progress with the project. Often students are reluctant to work in groups but once you are in the workplace, working in a group will not be an option. You will learn together and find out more about flexibility and sharing of responsibilities with the project.    This project includes both Financial Statements and Writing.    Discuss and critically analyze whether this is a good expansion. Make recommendations and submit an Executive Summary along with the full report.  Discuss and critically analyze if the need exists from your research to open an additional facility to produce knee replacements.  Critically evaluate the next steps the company should make with regards to expansion.   Should the company open the expansion?    Sections to include in your response:   Purpose Statement: A purpose statement helps tell your reader what to expect but it also keeps you on track. I compare the purpose statement to typing in the address on your GPS or writing down the address of your destination.   Executive Summary: One page written to the owners of JointsOrtho explaining your findings on opening the new warehouse   Written Components: Written document with critical analysis of the Risk/Return and Time Value of Money, Three Project Risk types, etc., Explain fixed and variable costs as they pertain to this type of business.   Financial Statements: At a minimum to include an Income Statement, Cash Flow Statement and Balance Sheet. There will be several transactions provided that students will update within their Financial Statements, however student teams may wish to expand upon their statements and include a summary of additional transactions, etc. that they included.  Break Even Analysis: Will opening this plant Break Even within the first year?   Conclusions: Provide a critical analysis of the financial statements and written components of the paper.  References: Support all decisions with literature   You will be provided with some transactions for the purpose of getting you started with what to include, but you are expected to come up with and support additional transactions. For instance you decide to hire an additional manager. You will need to put this information into the Financial Statement in the correct area.   Transactions: The following are a few transactions to get your group going on the Financial Statements. You may wish to include others. These are hypothetical as you are just trying to decide if the JointsOrtho Company should open a new facility. The numbers are based on a site the company is interested in buying and the information from when the first manufacturing plant opened.   Transaction 1: Borrow $6,000,000.00 for building with 10 year mortgage at 10% annum  Transaction 2: Pay your salary of $6,000/month  Transaction 3: Pay for building: Set up what will be office space, manufacturing space and warehouse space. Set a depreciation schedule  Transaction 4: Hire managers & Workers. Pay salaries and fringe benefits and taxes  Transaction 5: Pay employee health, life and disability premiums, plus FICA, un-employment and withholding taxes  Transaction 6: Order $3,000,000 worth of machinery/equipment for manufacturing. Pay Â½ down.  Transaction 7: Receive machines and pay remaining amount due  Transaction 8: Hire employees- Expense 1st Monthsâ salary/wages, set up machinery depreciation, set-up standing costs  Transaction 9: Place order for raw materials at a cost of $1,000,000 which will include Machining, Casting, Grinding, Polishing and metal injection molding materials. \*Note: These raw materials will need to be ordered every 3 months.  Transaction 10: Receive 3 month supply of raw materials  Transaction 11: Start up production. Pay workers for the month  Transaction 12: Book depreciation and other manufacturing overhead costs for the month  Transaction 13: Finish manufacturing 2,000 hips and move them into finished goods inventory  Transaction 14: Pay for the 3 month supply of raw materials received in Transaction 10  Transaction15: Manufacture and monthsâ supply of hip replacements  Transaction 16: Take an order for 1,200 hip replacements  Transaction 17: Ship and invoice customer for 1,200 hip replacements  Transaction 18: Receive payment for 1,200 hip replacements | |