Select a company (McCormick) that will be used for the four class assignments. The selections are made on a first come, first served basis; students can’t use the same companies.

**Students may elect to use the eVal Financial Forecasting Model or Prof. Stevens’ Excel Financial Forecasting model for this assignment.** If the eVal model is selected, make sure that financial information is available for the company that is selected for the assignment **(See: http://www.lundholmandandsloan.com)**. Similarly, if Prof. Stevens’ model is used for the assignment make sure that financial information is available (e.g., Yahoo Finance, etc.). (Note: Alternatively, the ValuePro.net model may be used but the final score for the assignment will be reduced by 20% if that alternative is selected.)

The **actual Excel forecasting model** (either eVal or Prof. Stevens’ model) **must be submitted** with the assignment.

The analysis needs to include:

1. Explanation of Growth Rates - Include an explanation about growth rate projections for the company. (Note: it is difficult to justify terminal or long-term growth rates that exceed the growth rate of the economy, e.g., 3%; in the short-run, higher rates may be appropriate.)

2. Explanation of All Other Assumptions - Include an explanation of all other assumptions related to future operating performance including costs, margins, efficiency, capitalization, etc. Note: All assumptions used in the forecast need to be explained in the written analysis. A worksheet is provided for this analysis and it should be incorporated as a “table” in the written analysis.

3. Explanation and Interpretation of Projected Financial Statements - Explanation and interpretation of the projected financial statements and discounted free cash flows to include pro forma financial statements (income statements, balance sheets, and statements of cash flows).

4. Explanation and Interpretation of Overall Forecast Results - Examination and interpretation of the overall forecast results and the projected financial ratio analysis.

**Writing Instructions**

The discussion portion of the analysis should be three to five pages in length, double spaced, and should employ APA style and format for reference citations. Supporting data (e.g., figures, tables, etc.) and references should be submitted limited to four separate attachments in an appendix after the written portion of the paper.

The paper should begin with a short introduction (explains the purpose of the paper and provides an overview of the contents that follow) and then proceed to examine the four topics outlined in the previous section.

The subheadings used in the paper should be:

1. Introduction

2. Explanation of Growth Rates

3. Explanation of All Other Assumptions

4. Explanation and Interpretation of Projected Financial Statements.

5. Explanation an Interpretation of Overall Forecast Results & Financial Ratios

**Evaluation:** 12.5% of final course grade.

**Completeness of analysis:** The analysis must demonstrate a solid understanding of forecasting and analysis.  All assumptions used in preparing the projections of the company need to be thoroughly explained.

**Organization:** The paper should be well-organized and follow a logical pattern of analysis and discussion.

**Presentation:** Papers should meet professional business standards and meet APA formatting requirements.

**Spelling, punctuation, and grammar:** There should be few errors in grammar and punctuation. All sentences must be complete and well-structured.

**Submission and Format:** The completed paper is to be submitted to the “Gradebook” location designated for the assignment. The paper must be in Word format otherwise no credit is earned for the assignment. The Excel forecasting model is to be submitted (either eVal or Prof. Stevens Excel Forecasting Model).