

## Suggested Project

- I. This project provides an opportunity to apply accounting concepts and procedures to a realistic situation. You may find it helpful to work with others when completing this project.
- II. The project consists of **pro forma financial statements and financial analysis** for the first five years of a corporation. The development of these statements, and not the actual data, are the central theme of this project.
- III. The project should be completed with spreadsheet computer software.
- IV. The project should include these items.
  - A. Opening day balance sheet dated January 1, 2001.
  - B. A Multi-Step income statement for 2001.
  - C. A statement of stockholders' equity dated December 31, 2001.
  - D. A December 31, 2001, balance sheet using information from the 2001 statement of stockholders' equity.
  - E. A statement of cash flows dated December 31, 2001.
  - F. Projected income statements for 2002 through 2005.
  - G. Horizontal and vertical analysis using beginning and ending 2001 balance sheets.
  - H. Horizontal and vertical analysis using 2001 through 2002 income statements.
  - I. Trend analysis using 2001 through 2005 income statements.
  - J. Ratio analysis for the December 31, 2001, balance sheet.
  - K. Additional material may include, but is not limited to, additional research material, graphs, charts, and other material.