**Case Study B: The Farm Winery**

**Procedure**

Read the case study *The Farm Winery*.

Conduct your analysis using MS Excel and use MS Word to provide narrative. Be prepared to embed your spreadsheets into the document before submission.

Madsen is particularly concerned that the business be self-sustaining in order to return capital to shareholders.

Using the information in the balance sheet for December 31, 2013 (Exhibit 2) and the fiscal year 2014 budgets (Exhibits 3 and 4), prepare a projected balance sheet for The Farm Winery for March 31, 2014 and June 30, 2014. Based on the projections, can Madsen declare a dividend of $25,000 in June 2014? If not, does The Farm Winery require additional capital contributions in the first half of 2014?

Assess the budget for the September 30, 2014 and December 31, 2014, excluding the $80,000 investment in additional vineyard development. Based on your analysis, will Madsen be able to declare a dividend of $25,000 in December 2014?

Based on your analysis, to what extent will Madsen achieve the financial goals he has for The Farm Winery in 2014?

Based on your analysis thus far, determine whether the winery should pursue the $80,000 investment in an additional vineyard development? Explain why or why not.

What business steps should The Farm Winery modify or pursue to strengthen its financial position? Should the winery adjust its annual production volume?

*In your narrative, minimize repeating what is already stated. Take the content and use it as facts and figures to support your position. Restating what is already in the case study is not acceptable.*

*Present your spreadsheets in a properly formatted and readable style using formulas wherever applicable. Your narrative is on a Q & A basis only.*