

# Reason of acquisition seeks corporation

[Business](#), [Company](#)



I want you to look at the Finnish company Seeks Corporation which is ranked 91 in the Global Powers of Retailing Report, 2012, (we are ranked at 25). We seem to be at least 3 times bigger than them, so acquisition might be something well within our abilities. Our Management Accountant has already provided some basic data which you can use. This includes a summary of asked recent financial reports, together with some of our own ratios which we are using in all similar investigations for consistency.

You can of course add to this if you wish, but don't spend time trying to reconcile these summaries with the original data - we are more interested in the general trends so that we can judge whether to go forward with more detailed investigations. (Question 1 continued on next page) I want your analysis of Seeks to focus particularly on their performance and financial debility, to see if they have the potential to make a positive contribution to our activities. I have already asked our financial advisers to have a look at market value, possible price we might have to pay, etc. So if we decide to proceed with the full acquisition option you do not need to worry about that side of it too much. In short, try and be objective; focus on the performance of the company - strengths and weaknesses - and make appropriate comparisons. You might include consideration of how the performance and financial stability compares to ours as well as identifying key areas that we might need to address if we were to acquire them. The main point is to keep it focused and succinct at this stage. Make a substantial investment in their shares, say up to around 20% in order to become a major shareholder.

Their share price seems to have had a bit of a roller-coaster ride over the last couple of years so could you include in your report some conclusions on their

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shareholder performance... " Required Write the report on Seeks as requested by your boss including the following: a) A brief contextual background to the company (10% of question marks) b) Present and discuss an overview of the recent performance (10% of question marks) ) Discuss the performance and profitability of Seeks using ratio analysis, clearly showing your calculations. 20% of question marks) d) Discuss the relative working capital, liquidity and solvency positions of Seeks using ratio analysis, clearly showing your calculations.