



Hong Kong Institute of
Accredited Accounting Technicians
香港財務會計協會

**The Accounting and
Business Management Case Competition
2008-2009**

Tertiary Institute Group

The MTR Corporation Limited (MTR) is the largest company in Hong Kong providing franchised public transport in terms of market share and geographic coverage of its services. Today, the MTR is involved in a wide range of business activities in addition to its railway operations. These include the development of residential and commercial projects, property leasing, and revenue from advertising, telecommunication services and international consultancy services.

To sustain its future growth and performance, the MTR management is **considering** participating in the Kai Tak development project. Assume you are newly employed by the MTR as a financial analyst to support its property development department.

REQUIRED:

Submit a proposal to your manager discussing whether or not the MTR should participate in the Kai Tak development project. Your proposal should cover **at least** the following areas:

- (a) Development plan (which may include the type of property, number of units and unit size, etc.)
- (b) Budget and profit forecast
- (c) Project financing method
- (d) Marketing strategies, which may include competitor analysis, promotion strategy, etc.
- (e) Your conclusion, based on the above, as to whether or not the MTR should participate in the project

The proposal will eventually be presented to the MTR board to help it make its decision regarding this project. Your manager has indicated that the preliminary estimate of the total gross floor area for this project is at least 100,000 sq.m. and the estimated development cost is HK\$5 billion (including land cost and construction cost). Construction is expected to be completed within five years.

Remarks

You may refer to the MTR Corporation Limited's Annual Report 2007. When preparing your proposal, you may need to take into consideration of the MTR's overall business strategies and your recommendations should be in line with the corporate strategies, mission and goals. State clearly any underlying assumptions you make to justify your proposal and the key factors, if any, which may need to be considered in this project.

Guidelines for written report

1. Each team submit written report in English of not more than 20 pages of A4 papers which includes table of contents, executive summary, index, appendix, graphs, but excludes the cover page.
2. Font type and size: Arial (12 points)
3. Double line spacing
4. Margin: 1 inch for each side
5. Each report should include a separate cover page with name of the Competition, names of team members, institute, as well as contact number, e-mail address and postal address of the team leader.
6. The content pages **SHOULD NOT** include the names of team members and institute.
7. Submit *three* hardcopies together with a soft copy (both word and pdf format) saved in a CD-Rom.
8. The written report **SHOULD NOT** be put in any folders/files nor be bound in a book.

Method for submission of written report

The written reports can be submitted to the Hong Kong Institute of Accredited Accounting Technicians Ltd. by hand to 27/F, Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong before **6:00pm, 11 March 2009.**

Remarks:

The organizer reserves the right to disqualify any participating team who fails to meet the guidelines for the written report.