VALLEY FORGE STEEL: STRATEGY, RISK AND REWARD? A GRADUATE CASE IN STRATEGY AND MANAGEMENT ACCOUNTING

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WEB APPENDIX

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Table Oneⁱ

United States Government Treasury Yields (August, 2019)	
Three-month Treasury	1.999%
Two-year Treasury	1.634
Five-year Treasury	1.527
Ten-year Treasury	1.623%
Source: https://www.cnbc.com/2019/08/14/the-inverted-yield-curve-explained-and-what-it-means-for-your-money.html (August 18 2019)	

Table Two

Required New Production Staff	
Shift	Number of New Production Staff
Shift One (7-3p.m.)	20
Shift Two (3-11p.m.)	20
Shift Three (11p.m.-7a.m.)	12
Total	52
Assuming a 40-hour work week over 48 weeks per year	

Table Three

Current Management and Non-Production Staff Salaries	
Manager Shift One	\$105,000
Manager Shift Two	95,000
Night Shift Supervisor	77,000
Plant Accountant	90,000
Bookkeeper	38,000
Manager and Plant Accountant Benefits: 20% of Salary	
Bookkeeper: 15% of Salary	

Table Four

Current Contract Staff Costs	
Plant Security Staff	\$80,000
Cleaning Contract	30,000
Commissioned Sales Staff	5.00% of sales
No benefits for contract staff	

Table Fiveⁱⁱ

Cost of Direct Materials	
Coking Coal (per m.t)	\$191 USD
Iron Ore (per m.t)	\$117.50 USD
Limestone (per one-half m.t.)	\$13 USD
Source: https://www.focus-economics.com/commodities/energy/coking-coal (August, 2019)	

Table Sixⁱⁱⁱ

Historical Market Price for Aluminum (USD p.m.t)	
2013	\$1845.86
2014	1,867.48
2015	1,663.69
2016	1,604.60
2017	1,968.40
2018	2,107.64
August, 2019	1,784.00
Source: https://www.focus-economics.com/commodities/base-metals/aluminium (August, 2019)	

Table Seven^{iv}

Historical Market Price for Steel (USD per m.t)	
2013	\$630.41
2014	653.14
2015	461.14
2016	519.95
2017	619.92
2018	828.46
August, 2019	525.00
Source: https://www.focus-economics.com/commodities/base-metals/aluminium (August, 2019)	

Table Eight^v

Sales Growth (Decline) By Recession Scenario for Valley Forge		
	Sales Growth (Decline)	Probability
Mild Recession	0% sales growth	30%
Moderate Recession	1% sales growth	30%
Strong Recession	3% sales decline	40%
Note: Between 1945 and 2010, the average length of a recession in the United States has been 18 months.		
Source: https://www.nber.org/cycles.html		

Endnotes

- i <https://www.cnn.com/2019/08/14/the-inverted-yield-curve-explained-and-what-it-means-for-your-money.html> (August 18 2019)
- ii <https://www.focus-economics.com/commodities/energy/coking-coal> (August, 2019)
- iii <https://www.focus-economics.com/commodities/base-metals/aluminium> (August, 2019)
- iv <https://www.focus-economics.com/commodities/base-metals/aluminium> (August, 2019)
- v <https://www.nber.org/cycles.html>