DATA COLLECTION

1. Choose a non-financial S&P 500 firm whose company name starts with the first letter of your first name (list found at http://en.wikipedia.org/wiki/List_of_S%26P_500_companies). Do not choose firms whose GICS Sector is listed as “Financials.”

a. Go to Yahoo!Finance at http://finance.yahoo.com/. Enter the ticker symbol for your company in the “Quote Lookup” box and choose your firm from the resulting list. Record the date, most recent price for the stock, the most recent trade time, and the “52 week Range.” Click “Profile” and read the “Description.” Write a short summary of the company’s main line of business.

b. Click on “Statistics” and record the firm’s “Market Cap (intraday),” “Trailing P/E,” and its “Price/Book (mrq).”

c. Click “Analysts” and record the “Recommendation Rating.” Note what the rating means. From the Analyst Price Targets section, record the “Average,” “Low”, and “High” target prices.

d. Go to an internet search engine (like google.com, yahoo.com, bing.com, etc.). Search for firms viewed as competitors for your company. Return to http://finance.yahoo.com and search for the ticker symbol for one of the competitors.

e. Click “Financials.” Click “Balance Sheet.” Record for the three listed years: net receivables, inventory, total current assets, total assets, total current liabilities, total liabilities, and total shareholders’ equity. Next, click “Income Statement.” Record for the three listed years: total revenue, earnings before interest and taxes, interest expense, and net income.

f. Enter the ticker symbol for the firm’s competitor that you chose in step 1.c. in the search box near the top of the page and select that firm from the resulting list. Click “Financials.” Click “Balance Sheet.” Record for the three listed years: net receivables, inventory, total current assets, total assets, total current liabilities, total liabilities, and total shareholders’ equity. Click “Income Statement.” Record for the three listed years: total revenue, earnings before interest and taxes, interest expense, and net income.
ANALYSIS

Your finished project should be a Word file that follows the format of the sample project included at the end of this document. The first line should read, “FINC 3511 – Spring 2017 – Project 1.” The second line should include your name and the date.

1. List the company’s name and ticker symbol. Write a short description of the company’s main line of business.

2. List the stock’s most recent price, trade date, and trade time. List the 52-week price range (the highest and lowest prices the stock has reached in the past year). Describe the relationship of the current stock price to its 52-week price range.


4. List the recommendation rating and what it means (buy, hold, sell, etc.). List the low, average, and high target prices. Describe whether the current price compared to the average target price indicates that analysts expect the stock price to increase or decline. Describe how the high and low target prices compare to the 52-week range.

5. Use the balance sheet and income statement data you gathered to complete this section. Complete a simple financial statement analysis of the company (as shown in the sample project). List all financial ratios shown in the sample project. Discuss how the company’s financial position has changed over the three most recent years for which you have data. Compare the company’s results to those of its competitor. Discuss the changes in relation to the ratio categories discussed in the course. If data is missing, note that the ratio is unavailable.

There is an excel template in CourseDen in the Project Information folder that you can use to calculate the required ratios. The spreadsheet contains all formulas to calculate the ratios. **You only need to enter your firms’ balance sheet and income statement data. Enter the numbers without commas.** Be sure to enter the firms’ names. You should then copy the ratios from the Excel file into your Word document.

**FORMAT:** Your work should follow the same format as the sample project on the following pages. Submit the completed project (Word document only) through the Drop Box in CourseDen.
1. **Home**  
Ticker – HX
Home offers building materials and related materials. Its stores are primarily located in the United States, Canada, and Mexico.

2. **Last Trade:** $35.10  
**Trade Time:** 12:34 pm  
**Trade Date:** 1/16/17  
**52-wk Range:** $22.27 - $37.03
The stock is near the high-point of the 52-week price range.

3. **Market Cap (intraday):** $59.35 billion  
**Price/Book (mrq):** 3.09  
**P/E (ttm):** 22.31
The market capitalization indicates that the total market value of all shares of Home is currently $59.35 billion.  
The price-to-book ratio shows that each dollar contributed by shareholders is now worth $3.09.  
The P/E ratio indicates that the current stock price per share is 22.31 times the past twelve month’s earnings per share.

4. **Recommendation Rating:** 2.1  
A rating of 2 means “buy” while a recommendation of 3 means “hold.” The 2.1 rating means analysts think you should lean toward buying more of the stock of the firm.

**Average Target Price:** $37.02  
**High Target Price:** $45  
**Low Target Price:** $26
The current price of the stock is below the mean target price which means that on average analysts expect the price to increase in the future.  
The high target price is well above the highest price the stock has reached in the past 52 weeks.  
The low target price is higher than the lowest price over the past 52 weeks.
Liquidity:
HX’s has become more liquid over the past three year. Both its current and quick ratios have increased. Away has also become more liquid. The firm’s have similar current ratios, but HX has higher quick ratios indicating less relative inventory holdings.

Asset Management:
HX’s days sales outstanding has varied over the period, but is still lower now than two years ago. Its DSO is higher than that of Away indicating a longer time between sales and collections. HX’s ITR and TATR have fallen over the past two years indicating less effective use of assets. However, the ratios still exceed those of Away.

Debt Management:
The debt ratios for both HX and Away have fallen over the period, but HX has used more debt than Away throughout the period. Likewise, Away has earned more income relative to its interest expense than HX.

Profitability:
NPM, ROA, and ROE are all lower for HX this year than two years ago. However, the ratios have increased compared to last year. All three ratios have declined each year for Away. In the most recent year, all three ratios are higher for HX than for Away indicating higher profitability.