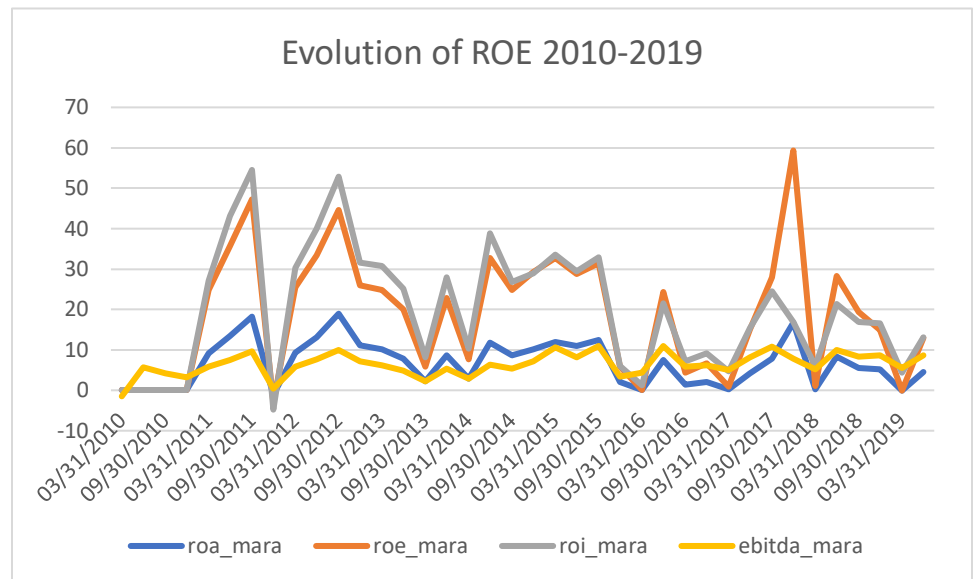Assignment

This assignment is designed to help you in the creation of your final project. You cannot use Marathon in your final project or the model used in the assignment. If your project is focused on Marathon, please use a different company for this assignment (DELTA).

1. Open the company database and create a diagram for the company MARATHON of the ROA, ROE, ROI and EBITDA using all the data available to you. Please make sure to include a title to your diagram. For example:

Why do you think the ROI deviated from the ROE in the 2017-18 period? (hint: think about the industry trends)

2. Copy the dataset of MARATHON onto Stata and run the following regression model:

Dependent variable: 1.2 (i.e. ROE)

Independent variables: one-period lag of 1.2, current values of, 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 3.1, 3.3

As a reminder, you can find the variables in the table below:

1	Profitability Ratios	2	Liquidity Ratios
1.1	Return on Asset **ROA** %	2.1	Quick Ratio **QR**

1.2	Return on Equity **ROE**%	2.2	Current Ratio **CR**
1.3	Return on Investment %(**ROI)**	2.3	Net Current Assets % **TANCATA**
1.4	**EBITDA** Margin %		
1.5	Calculated Tax Rate % **CTR**		
1.6	Revenue per Employee **RPE**		
3	**Debt Management**	**4**	**Asset Management**
3.1	LT Debt to Equity **LTDE**	4.1	Total Asset Turnover **TAT**
3.2	Total Debt to Equity DE	4.2	Receivables Turnover **RT**
3.3	Interest Coverage **IC**	4.3	Inventory Turnover **IT**
		4.4	Accounts Payable Turnover **APT**
		4.5	Accrued Expenses Turnover **AET**
		4.6	Property Plant & Equip Turnover **PPET**
		4.7	Cash & Equivalents Turnover **CET**
5	**Per Share**		
5.1	Cash Flow per Share **CFPS**		
5.2	Book Value per Share **BVPS**		

3. Explain the sign and statistical significance of the coefficients that are statistically significant at 5%. (help: a simple sentence will do)

4. Which variables are not statistically significant at 10%?

5. Are there other coefficients that are statistically significant at 10%, but not at 5%?

6. What is the R-squared? What does it mean?