

Ratio Analysis Group Assignment

Due: Start of Class, March 21st 2016

Each group is required to perform a ratio analysis on a pair of companies in the same industry and present its analysis in front of the class. This assignment constitutes 10% of your final course grade.

Here are some general guidelines to follow:

1. Read the previous financial reports (ex: 10-K, 10-Q reports) for each company. (See below for sources to obtain financial reports.)
2. With your group, calculate the ratios of your choice for the past three years and examine the differences between your two companies. Speculate on the causes of the major differences between the two companies. Pose a few questions or hypothetical situations and answer them using the ratios that you have calculated.
3. The goal of this exercise is to understand the relationship between financial numbers, business, strategy, and enterprise value. It is acceptable if your analysis is not right, and therefore, it is not necessary to consult analyst reports on your two companies. If you do consult professional sources, please indicate which parts of your analysis were inspired by those sources.
4. Your presentation should also include sources of information and calculation of ratios used.
5. At the end of the project, groups may be asked to do a peer evaluation.

Each group must hand in a hard copy of their slides in class at 1:30PM, plus email me (dawn_tan@sutd.edu.sg) an electronic version of your slides by 11:00AM on March 21st 2016. Late submissions will incur a penalty.

Companies Assigned:

Each group will be required to make a **10-minute presentation, followed by 3-5 minutes of questions, on the 21st or 22nd of March. The company pairings for each group are as follow:**

- | | |
|-----------------|---|
| Group 2, 5, 11: | Intel (INTC) <-> Advanced Micro Devices (AMD) |
| Group 4, 8, 10: | HP (HPQ) <-> Lenovo (LNVGY) |
| Group 3, 9: | Caterpillar (CAT) <-> Deere & Company (DE) |
| Group 1, 6, 7: | Mastercard (MA) <-> Visa (V) |

Sources to Obtain Company Financial Information:

Yahoo! Finance: <http://finance.yahoo.com/>, Google Finance: <http://www.google.com/finance>
SEC.gov <http://edgar.sec.gov/search/search.htm>, CNN Money: <http://money.cnn.com/>
Morningstar: <http://www.morningstar.com/>