

Instructions for Workshop 1

Based on Lecture 1: Financial Statement Analysis

Please read and potentially try to solve the following exercises (on your own or in a group) before the workshop. We will discuss the solutions during the workshop on September 7 at 10:45-12:30.

Note that the bonus question is not included here. After the workshop, you have the opportunity to solve the first bonus question in Ans. There will be one question. A correct answer backed up by proof of computation will be awarded 0.1 bonus point. **Solving the bonus question is an individual work (thus, NOT a group work)!**

Exercise W1-1:

See Mydeco Corp.'s financial statement and stock price data available on the first sheet of "MOT111A Workshop 1 Exercises 7Sept2023.xlsx".

- What is Mydeco's market capitalization at the end of each year?
- What is Mydeco's market-to-book ratio at the end of each year?
- What is Mydeco's enterprise value at the end of each year?

Exercise W1-2:

See Mydeco Corp.'s financial statement and stock price data.

- By what percentage did Mydeco's revenues grow each year from 2016-2019?
- By what percentage did net income grow each year?

Exercise W1-3:

See Mydeco Corp.'s financial statement and stock price data.

- From 2015 to 2019, what was the total cash flow from operations that Mydeco generated?
- What fraction of the total in (a) was spent on capital expenditures?
- What fraction of the total in (a) was spent paying dividends to shareholders?
- What was Mydeco's total retained earnings for this period?

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Exercise W1-4:

Retrieve the balance sheet and income statement data of Inter IKEA Group for the past two years (2021 and 2022). Conduct financial statement analysis (i.e., horizontal, vertical and ratio analysis). Interpret the items that have changed or remained unchanged. Interpret the meaning of the ratios. Hint: Industry ratios are available [here](#).