**SIA Module worksheet week 1**

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| Seminar **Questions** (to check and/or develop your relevant knowledge on investment appraisal) | **Answers** (write here in your own words & underline key concepts) | e.g. **Illustrate** from last year’s case study – find this data in the annual report of the target company or the exemplar assessment 2021 case co. Grubhub Inc. @ 31/12/19 | NB - **Find** the equivalent data for the assessment case study you are tasked with analysing from the annual report of target co. |
| 1. What is an investment in a company usually called? | A share or shareholding, also known as an equity holding | Find the number of shares in issue at the balance sheet date  91,576,060 shares = 91.6 million |  |
| 1. Why do individuals and companies invest in business enterprises? | To earn income in the form of dividends and/or for capital growth (a higher share value producing a capital gain) | Find the earnings per share reported in the most recent year  Losses reported so EPS was -$0.20 per share (+$0.88 in 2018) |  |
| 1. How do you explain the difference between the ‘par or nominal value’ of a share and the market price of that share quoted on the stock exchange? | Accumulated profits/earnings attributable to shareholders retained in the company (i.e. not distributed to shareholders as dividends) since the company started | Find the market price of a share at the date of the takeover bid  Share priced quoted at $70 per share at bid date of 29/07/20 |  |
| 1. Define the following terms    1. EBIT    2. Equity    3. Depreciation & amortisation (D&A)    4. NOPAT    5. Market capitalisation | See SIA glossary | Find the values for each term   1. EBIT -$6.3 million 2. Equity $1.493 billion 3. Depreciation & amortisation (D&A) $115.4 million 4. NOPAT -$18.6 million 5. Market capitalisation Share priced $70 per share multiplied by 91.6m shares = = $6.4 billion market capitalisation |  |