Assessed Task #1: An Investment Comparison

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Analysis

The Apple iPod model launched on October 23rd 2001 now retails on ebay for $200[1] . The Initial sale price was $399. Instead of spending money on a music player one could have bought shares. The plot in Figure 1 displays this alternatives financial rewards; the total value of the possible shares that could have been purchased in either one of 3 technology companies is plotted against time.

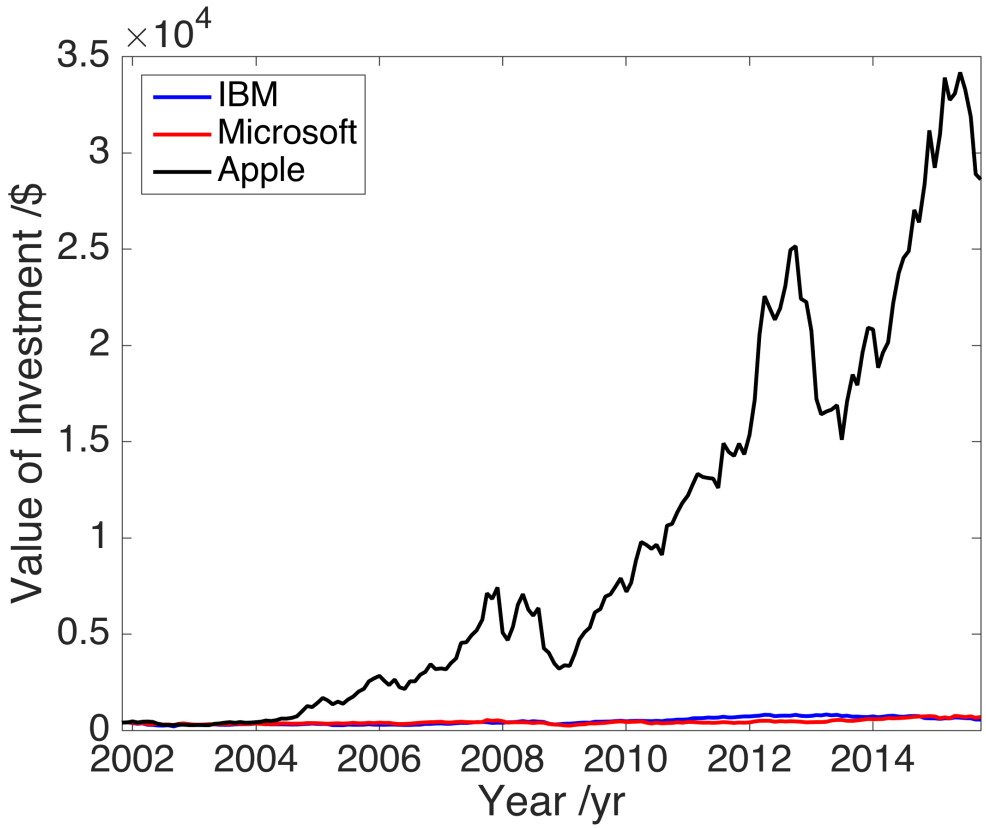

Figure 1: Plot showing the total value of shares in 3 technology companies that could have been purchased at the launch of the Apple ipod for $399

It seems to be apparent from Figure 1 that the stratospheric rise in the price of Apple company shares in the last decade, would have made such an investment an incredibly lucrative alternative to a $399 iPod. The final value of the three possible investments are shown below:

Apple	IBM	Microsoft
$28604	$560	$690

All performed financially far better than the iPod, with Apple the outstanding performer. The clear moral to be drawn is that pursuing investment rather than consumption is hugely financially rewarding.

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[1] http://www.ebay.com/itm/Apple-iPod-Classic-1st-Generation-5-GB-Original-Music-Player-/262108373320?hash=item3d06e06148:g:Cn0AAOSw9r1WEE~8

Appendix: Matlab Code

```
clear;

micdata = dlmread('microsoft.csv',',',1,0);
ibmdata = dlmread('ibm.csv',',',1,0);
appdata = dlmread('apple.csv',',',1,0);
ipod = 399;
initmic = micdata(168,2);
initibm = ibmdata(168,2);
initapp = appdata(168,2);
smic= ipod/initmic;
sibm= ipod/initibm;
sapp= ipod/initapp;
totmic=smic*micdata(:,2);
totibm=sibm*ibmdata(:,2);
totapp=sapp*appdata(:,2);


plot(ibmdata(:,1),totibm,'b', ...
    micdata(:,1),totmic,'r', ...
    appdata(:,1),totapp,'k', 'LineWidth',2)
hold on
xlim([appdata(168,1),appdata(1,1)])
xlabel('Year /yr','fontsize',20)
ylabel('Value of Investment /$','fontsize', 20)
legend('IBM','Microsoft','Apple','Location','NorthWest')
set(gca,'FontSize',20)
print -dpng -r300 'ipod vs investments.png'
hold off

%gets final values
x = totapp(1,1)
y = totibm(1,1)
z = totmic(1,1)
```