



## **Bringing Financial Services Into Focus**

As our final project in Senior Financial Services, you will be doing some research on one of the stocks you selected for the Stock Market Challenge (it must be a stock for a corporation, not an ETF). Everyone will have a different stock to research, so make sure you get your choice APPROVED before you start.

What's the assignment? Every chapter in the CFIN text has a related "Stock Market Activity". You should respond to the questions in this packet and prepare a DETAILED 24-slide PowerPoint (excluding the title) responding to these questions. Use 2 slides to respond to each question. Use the MarketWatch site (as well as others, such as Google Finance) to research your stock. Also use the company's website and their annual report as resources.

This should be THE BEST POWERPOINT EVER!!! Make sure your presentation has interesting fonts and colors, includes clipart and smartart, and uses transitions and/or animations. Most importantly, make sure the content is original, insightful, and shows real thought on your part. Knock my socks off with this presentation!!! (I will be BRUTAL in grading these, so bring your "A" game!!!).

The project is due at the end of class on **Friday, May 8, 2019**. Your answers must be complete and thoughtful. Your end product will be worth 400 points. Please make it creative and interesting!

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### **STOCK MARKET ACTIVITIES**

#### **CFIN 1: Financial Fundamentals**

The stock market is an important element of the economy and society. Nearly every person owns stock either directly or indirectly, through a mutual fund, retirement account, or other investment. In this project you will learn about many aspects of issuing, buying, selling, and holding stock.

1. Identify how and why people buy stock this stock as an investment.
2. Explain factors your company might consider when planning to issue stock.
3. Describe financial decisions that individuals, businesses, and government might encounter regarding stocks and stock market activities.

## **CFIN 2: Financial Environment of Business**

The value of stock is affected by many factors. Economic, social, and political conditions can influence the market price of stocks in different industries. As consumer spending patterns change, some companies benefit while others suffer. Demographic trends such as population shifts can affect the profits and stock prices of various companies.

1. Identify the main companies in the industry that your company competes in. Describe the competitive situation among these companies.
2. Explain how economic conditions might affect the stock value of the companies in this industry.
3. Describe recent social trends or government actions that might have a positive or negative influence on the stock value of the companies in this industry.

## **CFIN 3: Financial Management Planning**

As companies plan their strategy for success, various factors must be considered. Setting organizational goals, preparing a budget, and analyzing financial statements are activities involved in business financial planning. Appropriate planning along with successful implementation of these plans will likely have a positive effect on a company's stock price.

1. Identify recent and current goals of the company you selected. Determine the extent to which these goals have been achieved. Assess how financial performance has affected the company's stock price.
2. Describe potential actions that might be appropriate for future company success.
3. Analyze the company's stock value over the past year. Note any major company, economic, or news developments that may affect stock prices.

## **CFIN 4: Maintain & Analyze Financial Records**

Before buying stock in a business, it is useful to review its financial records. In this project you will learn about analyzing the information that can be found in the reports of a company.

1. Review the balance sheet and income statement of the company. How do the company's assets, liabilities, equity, revenue, expenses, and net income compare to recent years?
2. Prepare a ratio analysis using the ratios presented in this chapter. Compare these ratios to other companies in the same industry.

## **CFIN 5: Short-Term Financial Activities**

Stock prices are affected by a variety of financial activities. An analysis of a company's inventory, receivables, and other aspects of short-term finances can provide information about the current performance and future potential of the organization.

1. List the amounts of the company's cash, inventory, receivables, and other current assets for the two most recent years available.
2. Obtain the amount of current liabilities for the two most recent years.
3. Calculate the company's working capital and current ratio.
4. Discuss how these findings may affect the stock value of the company.

## **CFIN 6: Long-Term Financial Activities**

The stock value of a company reflects the beliefs of investors about the organization's financial decisions. The capital projects selected by managers will be the basis for current profits and long-term growth.

1. Describe recent capital projects of the company.
2. Explain the methods used by the company to finance its long-term operations.
3. Discuss how these capital projects may affect the stock value of the company.

## **CFIN 7: Finance Business Activities**

Issuing stock is a major financing activity of most companies. Organizations may also use debt and leasing. These financing alternatives affect both the company's current business activities and its long-term potential.

1. Compare the use of debt and equity by the company. Use the company's annual report as well as other research sources.
2. Determine if the company has recently issued additional stock or bonds. If so, what was the planned use of these funds?
3. Describe situations in which the company might use leasing.

4. Analyze your findings to determine the effect of these financing decisions on the value of the company's stock. At this point, would you buy, sell, or hold the stock of this company as an investment for your current or future personal financial situation? Explain your reasons.

#### **CFIN 8: Financial Institutions & Banking Services**

The use of financial institutions is necessary for the success of every business enterprise. Careful selection and use of various banking services can affect the inflow and outflow of funds. Poor cash management and improper borrowing can reduce the financial success of a company.

1. Identify financial services that are likely used by this company.
2. Explain how effective use of these financial services might create efficient company operations.
3. Describe potential favorable and unfavorable influences on the company's stock price related to the use of various banking services.

#### **CFIN 9: Customer Credit**

Selling on credit is a fundamental element of doing business. Effective management of consumer credit activities is necessary for company success. Creation and implementation of credit applicant screening activities along with efficient collections can have a strong influence on a company's financial success and stock price.

1. Describe the activities of the company with regard to selling on credit.
2. Discuss changes in the amount of the company's receivables over the past few years.
3. Assess to what extent selling on credit might influence the stock price of the company.

#### **CFIN 10: Business Insurance**

Financial and other business risks are common in every organization. These uncertainties regularly affect the financial performance and stock value of a company. Attempts to reduce or eliminate risks through insurance will influence an investor's decision to buy, sell, or hold a stock.

1. Identify common risks the company may encounter. Point out both internal (company) risks and external (economic, social, political) risks of the business.
2. Explain actions that might be taken to reduce or eliminate these risks.
3. Describe how various risks may have affected the market value of the company's stock over the past 12 to 18 months.

#### **CFIN 11: Technology & Financial Management**

Technology continually affects business operations. The use of computerized information, production, and distribution systems can increase an organization's efficiency. Effective technology management is vital to compete successfully in most industries.

1. List examples of the use of technology by this company. Describe situations in which the organization's operations and information systems have been enhanced with the use of computers.
2. Obtain information on potential technology that may affect this type of company in the future.
3. Identify potential influences of technology on the recent financial performance and stock value of the company.

#### **CFIN 12: International Finance**

The value of a company's stock is often affected by its international operations as well as competition from foreign companies. Every business exports, imports, or competes against companies that import or export.

1. Describe the international activities of the company. In how many countries does the company do business?
2. Determine the portion of revenue and profit that the company obtains from outside its home country.
3. Discuss actions the company takes to adapt its products, advertising, and financial activities to varied cultures and foreign business environments.
4. Determine to what extent international operations may have influenced the stock price of the company.