

ECON 313- HW 5

Due: Wednesday, NOV 17

1. Please find attached the financial statements of the Apple Inc for the last five years. Calculate the following ratios and prepare a fundamental analysis similar to the one on HW 4, question P7.17, part B. For industry averages, you will find all ratios in the report provided by Zacks.

Current Ratio, Total Asset Turnover, Debt-equity Ratio, Net Profit Margin, ROA, ROE, EPS, P/E Ratio, Dividend Yield, Payout Ratio, Price-to-book Value Ratio.

Let me help you with the first ratio, the Current Ratio. Go to the Balance sheet. On the first sheet, I have calculated the Current Ratio for the past five years. Please be noted, you need to go to the other financial statements to calculate some other ratios. For all ratios, you need to provide a really short paragraph similar to the one I have written below. Finally, you need to make a conclusion.

APPL's current ratio has declined during the last three years by around 30%, indicating its ability to meet short-term obligations has weakened. APPL's current liabilities, which have grown 18% over the past three years, can partially explain this decrease. Also, total current assets have declined by around 18%. Also, it is above the industry average.

2. Please read the two research reports on APPL's performance provided by Zacks and Argus. Highlight three differences and three similarities between the two reports. You will need to refer to different sections of the reports.