

Financial Reports Analysis

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A) Understand Financial Ratios for Company_____

Resource: ([link](#)) Investopedia Financial ratios

	What does a ratio in this category tells you	Name 3 ratios that belongs to this category
Profitability Ratio		
Liquidity Ratio		
Solvency Ratio		
Valuation Ratio		

Looking up financial ratios from financial reports

Resource: ([link](#)) Marketwatch financials - ATVI

- Use the top-right corner search tool to search for other stocks

Balance Sheet - liquidity and solvency

	2016	2017	2018	2019	2020
Current Assets					
Current Liability					
Total Liability					
Total Equity					
Current Ratio (Current Asset/Current					

Liability) - Liquidity Ratio					
Debt-to-Equity Ratio (Total Liability / Total Equity) - Solvency Ratio					

- Does the Debt/Asset tell you how much of the asset is owned rather than borrowed?
- Is the higher/lower ratio better for the company and why?

Income Statement - profitability

	2016	2017	2018	2019	2020
Total Sales					
Net Income					
Profit Margin (Net Income / Revenue) - Profitability Ratio					

- What does Net Income growth tell you?
- What does the Net Income / Total Asset ratio tell you?
- What does the profit margin tell you?

Cash Flow - spotting danger in cash flow

	2016	2017	2018	2019	2020
Net Operating Cash Flow					
Net Operating Cash Flow Growth					
Net Investing Cash Flow					
Net Investing Cash Flow Growth					
Net Financing Cash Flow					
Net Financing Cash Flow Growth					

Net Change in Cash					
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- What does the Net Operating Cash Flow tell you? Is there any concern to have too much or too little Operating Cash flow?
- What does the Net Investing Cash Flow tell you? Is there any concern to have too much or too little Investing Cash Flow?
- What does the Net Financing Cash Flow tell you? Is there any concern to have too much or too little Financing Cash Flow?
- What does the Net Change in Cash tell you? Is it better to have higher or lower Net Change in Cash and why?

P/E ratio - Valuation analysis

P/E Ratio	- Look up the P/E ratio from the MarketWatch P/E ratio =

([video](#)) P/E ratio

Conclusion:

	Facts	What does this tell you?
Profitability		
Liquidity		
Solvency		
Valuation		

- what do you conclude based on the analysis? Is the company healthy?
- Is this a company worth investing in?

B) Competing company: _____

B) Looking up financial ratios from financial reports

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Balance Sheet - liquidity and solvency

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Current Liability					

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Conclusion:

	Facts	What does this tell you?
Profitability		
Liquidity		
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Valuation		

- what do you conclude based on the analysis? Is the company healthy?

- Is this a company worth investing in?

C) Comparing companies

A: _____

B: _____

Balance Sheet - liquidity and solvency

	2016	2017	2018	2019	2020
A) <Ticker> Current Ratio (Current Asset/Current Liability) - Liquidity Ratio					
B) <Ticker> Current Ratio (Current Asset/Current Liability) - Liquidity Ratio					
A) <Ticker> Debt-to-Equity Ratio (Total Liability / Total Equity) - Solvency Ratio					
B) <Ticker> Debt-to-Equity Ratio (Total Liability / Total Equity) - Solvency Ratio					

Income Statement comparison - Profitability

	2016	2017	2018	2019	2020
A) <Ticker> Profit Margin (Net Income / Revenue) - Profitability Ratio					
B) <Ticker> Profit Margin (Net Income / Revenue) - Profitability Ratio					

Cash Flow comparison - Spotting cash flow dangers

	2016	2017	2018	2019	2020
A) <Ticker> Net Change in Cash					
B) <Ticker> Net Change in Cash					

D) Sec Filing: Form 10Q and conclusion and other information

	A: <Ticker>	B: <Ticker>
Management's Discussion and Analysis - What is the core of the business - What is the prospect of the company?		
Legal Proceedings - Is the company involved in any legal battle? Is it bad?		
Risk Factors - 3 Major risk factor facing the company		
News - Press releases concerning anything the company that may affect the price movement or evaluation (new product, change of CEO, future plans, scandals .. etc)		
Analysis Estimate - find under the Analysis Estimate tab - What is the consensus estimate among the analysts?		

Conclusion

	A:	B:
Strength	- - -	- - -
Weakness	- - -	- - -

Which company will you invest in and why?

E) Slideshow and video

- Create a slideshow to summarize your finding
 - Explain the terms as needed
- You are in a position of an "investment consultant" to give your professional opinion
- Your recommendation
- Record a talking head explaining the finding - Video 1
- Record the slideshow while you explain (as how fast to flip from slide to slide) - video 2
- Compose a 5 min max video explaining with iMovie or other video editing tool
- Use image editing tool to create a thumbnail for the youtube video
- Upload to Youtube as unlisted video

	Screenshots
talking head video icon	
slideshow icon	
background music added	
iMovie export as mp4 icon	
thumbnail icon	
youtube video	(link) to the unlisted youtube video