# FISV5720 10K Project

STEP ONE

Over the next several weeks you will be evaluating and valuing a publicly traded company. Your task for this first Step is to find a company that interests you. Your selection must include: a US company that is publicly traded on a US market and is well known with at least one similar publicly traded competitor.

Once you have identified a suitable company to analyze, it is time to look into the company’s history, current situation and future prospects. Demonstrate your knowledge of the company with a core business activity statement and the company's strategic business plan using a SWOT analysis as your guide. Make use of the Library Research Guide to satisfy this Step.

Finally for this step and to complete your evaluation, use measurements from financial statements to analyze your target company’s credit risk, profitability, asset utilization, and capital structure. Please provide a comparative analysis for your selected company (target) and a peer company, then a separate analysis for your target and the industry in which it operates. Start by using the application provided in the Library Guide for this course, Ventureline.

When Step One is completed, you will have demonstrated a thorough financial and operational knowledge of your target company.

STEP TWO

Determinants of security value include company profitability, operating growth, and risk. The first determinant was covered in Step 1. In Step 2 we complete our analysis with: cost of capital (debt, equity, weighted) and growth forecast using internal measurements and external data from industry, and macroeconomic analysis.

Similar to Step One, this step will require some research along with calculations. Remember to use the resources provided in the Library Research Guide on your Ulearn site.

Be sure to show all work completed by you and necessary to forecast your company's growth and cost of capital.

STEP THREE

It is now time to make your final valuation calculations for your selected company. Please complete a report summarizing your calculations for at least two valuation approaches. Available options include the Dividend Discount Model, Discounted Cash Flow (FCFF and ROPI) and Market Based methods using income statement and balance sheet indicators.

Your report should include a statement as to why you selected each model and finally, why you think your calculated intrinsic value is more realistic than the current market value of the company. Your answer must include a reference to management’s actions and their relationship to value determinants: company growth, cost of capital, and profitability.

VIDEO PRESENTAION

In practice today most "stock pitches" take the form of live (or video) presentations recapping the 10K Project using Steps 1, 2, and 3 to connect managements' activities (as measured by company financial statements) to the intrinsic value of company stock. This summary that is informed by Steps One, Two, and Three becomes the rational for under or over valuation of the target company’s stock price.