INCOME STATEMENT ANALYSIS (p. 39)

1. How much did sales grow from 2016 to 2017, in dollars and percent? What about 2015 to 2016?
2. List the top 3 geographic regions where Apple sells (p. 23). Which regions are growing the fastest?
3. Calculate the **GROSS** margin % for 2015, 2016 and 2017? What, if any, trend do you see in **GROSS** margin?
4. If Apple had earned the same gross margin in 2017 as 2015, what would its Gross Profit have been in 2017? How much did the decline in the gross profit margin cost Apple in 2017?
5. What product(s) had sales growth (see pgs 23, 24 & 68)? What products are growing in sales, which are declining? What might management be considering?
6. How many iPhones have they sold in the last three years? (p. 23) Why do you think unit sales only modestly improved from 2016 to 2017?
7. Calculate the profit margin % for 2015, 2016 and 2017? What, if any, trends to you see?
8. How has Apple grown its Basic Earnings per Share?

BALANCE SHEET ANALYSIS (p. 41)

1. Calculate the current ratio for 2016 & 2017. Compare and provide an analysis of the change (i.e. better, worse, worrisome?)
2. How much did Property, Plant & Equipment change between 2016 & 2017? What accounts for most of that change (see pg. 54)?
3. How many shares of stock is Apple authorized to sell? How many were outstanding in 2017 & 2016?

STATEMENT OF CASH FLOW ANALYSIS (p. 43)

1. For which year is the cash flows from operating activities the greatest and how much was it?
2. In which year did Apple spent the most cash to purchase long-term assets and how much did they spend?
3. How much has Apple received in the last three years by selling its own stock?
4. Where is Apple investing most of its money?

ACCOUNTING POLICIES  
(Notes to Consolidated Financial Statements p. 48)

1. How does Apple estimate its Allowance for Doubtful Accounts? What % does the allowance represent of A/R (see p. 41)? Calculate for the two years. Why do you think it is so low?
2. How do they account for their inventory? How much is inventory as a % of total assets(see p. 41)? Calculate for the two years.
3. What depreciation methodology do they use? Why do you think they picked that one?

OTHER ANALYSIS

1. Calculate the dividend yield for 2016 and 2017 using the data shown on pg 21. The year-end stock prices were $154.12 (2017) and $113.05 (2016). How does the yield compare to what interest rates the banks are paying? Why did it decline from the previous year?
2. Calculate the Price Earnings ratio for 2016 and 2017 using data shown on pgs 22. The year-end stock prices were $154.12 (2017) and $113.05 (2016). Assess any changes in the ratio for those two years.
3. Calculate & **COMPARE** (what does the ratio mean? which year is better?) these LIQUIDITY ratios:
4. Current Ratio for 2017 and 2016

1. Calculate average inventory turnover for 2017? Days sale in inventory?
2. Calculate & **COMPARE** (what does the ratio mean? which year is better?) these SOLVENCY ratios:
   1. Debt to assets
   2. Cash debt coverage
   3. Free Cash Flow

5. Calculate & **COMPARE** (what does the ratio mean? which year is better (if applicable?) these PROFITABILITY ratios:

1. Return on total assets for 2017
2. Return on common shareholders’ equity for 2017
3. Basic earnings per share for 2017 and 2016
4. Payout ratio for 2017 and 2016

Name of Group Members:

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
4. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
5. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
6. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
7. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_