Apple's financial situation in depth analysis. Assignment Minor BUSINESS MANAGEMENT Module 2: There is clearly some disagreement regarding the financial situation of Apple (AAPL). Consequently, a more in-depth analysis (over the last 5 years) is called for. 1) Executive summary: Review and select the most important facts and figures about Apple, which, in your opinion, will enable a reasonably educated person to understand in which financial position Apple is right now. Perform the same for Apple’s earnings situation. Provide evidence for any and all claims you make. 2) Profitability review: a. How is Apple performing right now? Would you say that Apple is earning adequate profits? Why or why not? b. Has Apple’s profitability changed over the last years? Why or why not? Which metric do think is most meaningful for this purpose? Why? 3) Liquidity review: a. How is the liquidity of Apple right now? Would you say that Apple is liquid enough / too liquid? Why or why not? b. Has Apple’s liquidity changed over the last years? Why or why not? Which metric do think is most meaningful for this purpose? Why? 4) Capital structure review: a. Provide an overview of Apple’s current capital structure and additionally identify anything out of the ordinary. b. Analyze all material (!) changes in Apple’s capital structure over the last 5 years. c. If you were Apple’s financial advisor, what would you recommend? 5) Dividend policy review: a. Provide an overview of Apple’s dividend policy of the last 5 years. 6) Risk review: a. Find out Apple’s CAPM beta coefficient and provide an interpretation. b. Compare Apple’s CAPM efficient to the beta of its main competitor and explain in detail: i. how you selected the main competitor ii. Which of the 2 firms is the riskier investment in your opinion? Why? iii. Which of the 2 firms is the better investment in your opinion? Why? General information: • Prepare a report addressing all points outlined above. A longer report is not automatically better. Make it only as long as necessary to describe and answer comprehensively, but as short as possible. • Your final report should be organized and presented as if you’d’ hand it in to an important stakeholder. Pay attention to the structure, readability, layout (typos!) and any diagrams you might use. • Your report must contain a bibliography and must make use of correct referencing. • Your final report does not have to (but may) contain all calculations you performed. You must, however, hand in an xls with all your calculations – make sure your xls file is understandable by third parties as well! Be prepared to be able to explain what you have calculated.