

# [Financial detective, 1996 essay sample](https://assignbuster.com/financial-detective-1996-essay-sample/)

NEWSPAPERS :

1) Centralized (Worlwide)-NEW YORK TIMES   
Fierce competition price depends on the market   
More efficient   
° Higher inventory turn L   
° Beta closed to 1. 00 (worldwide) L

2) Decentralized (Midwest)-LEE ENTREPRISE   
Monoplolist price like you want   
° Higher gross margin K   
° Higher other assets (goodwill) K

STEEL :

1) Big-INLAND   
° Lower receivable turn O   
° higher D/E (older, stable) O

2) Small-NUCOR   
° Higher P/E P   
° Higher margins P

BEER :

1) National-ANHEUSER-BUSCH   
° Higher inventory turnover M   
° Higher debt to equity (more debt than cash) M

2) Micro-BOSTON BEER CO.   
° Higher P/E ratio (young) N   
° Higher A/P (outsourcing) N   
° Higher ROA (not lot of assets) N   
° No dividend (IPO) N   
° Higher cash (IPO) N   
° No Beta (IPO) N   
° Higher gross margin (niche market) N

RETAIL

1) National-SEARS   
° Lower receivable turn G   
° Higher D/E G

2) Cat. Killer-HOME DEPOT   
° Lower gross margin H   
° Higher P/E (fast growing) H   
° Inventory (only assets) H   
° Higher assets turnover (doesn’t have any assets) H

HEALTH PRODUCTS

1) Mass Market-J & J   
° Higher inventory turnover A   
° Higher receivable turnover (quicker) A

2) Ethical-Lily   
° Higher gross margin (patterns, monopolistic) B

HOUSEHOLD APPLIANCES

1) Quality (own brand name)-MAYTAG   
° High gross profit C   
° Net Loss (crisis, bad year) C

2) Captive (private labels)-WHIRLPOOL   
° Higher Inventory turn (no really significant) C   
° Lower receivable turnover D   
° Lower current ratio (predictable, stale business) D

HOTELS

1) Quality-HILTON   
° High profit margin I   
° High cash (casino) I   
° High fixed assets (own hotels) I

2) Service-MARRIOTT   
° High gross margin (service, no COGS) J   
° Higher A/P J   
° Higher Inventory turn J   
° High asset turn J

COMPUTERS

1) Mail-order   
° Lower gross margin (sell un-price) F   
° Lower fixed assets E ? pb?   
° Higher assets turn (no assets) F

2) Quality   
° Lower inventory turnover E   
° Lower receivable turn E   
° Higher SG&A E