

# [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