

Google ratio analysis

Business



I recommend investing in Google's common stock. Google has a high sustained growth in its price per earnings ratio since 2012. The year-end stock price for Google has been on a high growth rate from \$ 353. 34 in 2012 to \$559. 79 in 2013. Growth and stability of earnings of Google ensures investors face less risk of losing their investment. Google stocks will be easy to sell in the stock market given that there is growing investor confidence as indicated in the ratios.

Google enjoys good economic prospects in the industry. Google has positioned its self as a leader in online advertising as well as other technology related areas. The company will experience more growth as there are indications that advertisers are allocating more budgets for internet advertising (S&P Capital IQ 1). The company will realize further growth as a result of making strategic moves to discontinue any projects that do not generate returns.

Another reason to invest in Google is the expected growth that is expected to be spurred by its innovations. Google has initiated projects in healthcare such as the smart contact lenses that could help monitor blood sugar in diabetic patients. Google is also growing its market share by applying the growth by acquisition strategy as evident in its recent acquisition of Reedwood Robotics to help grow its portfolio in healthcare. With an operating cash flow of \$18 billion in the year 2014, Google is one of the most stable companies in the world today. A combination of targeted as growth as well as stabilization of Google's business growth in the internet business makes the stock worthy for investment (S&P Capital IQ 1).

Works Cited

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S&P Capital IQ. Google Inc. Stock Report: McGraw Hill Financial, 17 January, 2015. Web, 3 March, 2015.