

Wal mart

Business, Management



Walmart Financial Analysis Social Responsibility. There are two perspectives as to whom organizations are socially responsible: the shareholder model and the stakeholder model.

a. Which model do you think applies to Walmart? Explain why.

I think Walmart uses both models because it has a diversified range of stores across the globe that are under a team of managers, and utilizes all opportunities in the market.

b According to the model you subscribed to Walmart under 4a, who do you think gains the most from Wal-Mart's business model? Again, explain why.

Opening of new stores, adoption of new technological measures, using a combination of technologies to enhance performance, increasing product volume and store manager incentive enhancement. This is because the incorporation of different strategies enables the company to utilize all avenues that make them a better company.

2) The following questions relate to Walmart's market and financial performance. I recommend that you use either Walmart's annual report or the company's 10K report to answer the questions. To do so, go to Walmart's website, then go to investor relations and call up the company's latest annual or 10-K report.

a. Provide current market data for Walmart: number of stores; domestic versus international locations. Where are most of Walmart's international stores located and why?

Walmart Inc. operates more than 11, 000 stores across 27 countries around the globe. Most of the international stores of Walmart are in Africa, Argentina, Brazil, China, Japan, Canada, Chile, Mexico, UK, and Central

America. This is because they enjoy monopoly in countries without such vibrant stores and the population of the countries is a source of customers.

b. Provide a trend analysis for years 2011, 2012 and 2013 as to where Walmart expanded and/or divested in its domestic and international markets. That is, where did they open and/or close their stores. Also pay attention to the type of stores they are opening and/or closing.

Walmart has six different types of stores opened across the world. Among them is the Supercenter, quick-trip to a convenience store, Discount store, Sam's Club warehouse stores, Campus convenience stores. The company decided to enhance selling of groceries since they learnt that food sells as compared to other stuff

c. Provide the latest reported annual financial information for Walmart:

Consolidated net sales for the entire fiscal year were \$466. 1 billion representing an increase of 5. 0% over fiscal 2012. Net sales included about \$4. 0 billion from acquisitions and approximately \$4. 5 billion of negative impact from currency fluctuations of exchange rate. Membership and other income was \$3. 0 billion, showing a decrease of 1. 6 percent from the previous year. The total revenue was \$469. 2 billion increasing by \$22. 2billion or 5%.

Income from continuing operations connected to Walmart was \$17. 0 billion, which is a 7. 8 % increase from \$15. 8 billion in the previous fiscal year. 2013 fiscal was \$5. 02 as compared to last year's \$4. 54, a 10. 6% increase. The effective tax rate for the whole year was 31. 0 percent, compared to 32. 6 percent for the prior year.

Are the company's revenues growing, if so, in which markets? Are certain

markets (domestic or international) growing faster than others and why?

The company's markets are growing every season. This happens both in the international and local scene because of the diversified places that they have set their stores.

What were Walmart's total revenues and net income for 2013.

What were Walmart's domestic versus international revenues and income for 2013?

d. Provide a trend analysis for the past three years (2011, 2012, and 2013) with respect to Walmart's revenues and net income.

e What did you learn from your market and financial data analysis under b, c and d? Do the trends in the market data support your analysis of the financial data?

The trend in the analysis shows that Walmart has a financial graph that is rising between 2011 and 2013. This comes as a result of having a fiscal policy that is organized and good management of the company.

f. Walmart's future. What are Walmart's plans for the future? For instance, where and how does the company plan to grow? Does it plan to divest in certain markets? Does the company have any new business ideas as to expansion of its business?

The company also updated its capital spending forecast for the current fiscal year ending Jan. 31, 2012 to between \$13 and \$14 billion, which includes expenditures related to acquisition. In FY12, Walmart expects to add between 36 and 39 million² feet worldwide. It includes 1 to 2 million square feet of post attainment investment connected to the companys Massmart acquisition. In Fiscal Year 13, Walmart plans to add between 45 and 49

million square feet. This is in addition of 4 to 5 million square feet of post acquisition investment, which includes additional square footage growth in the Massmart operations, as well as square footage acquired from the recent procurement of the Zellers assets in Canada. The company plans to invest largely in international markets given the fact that it is working on the Massmart project for instance.