

Financial results of google inc., apple, and yahoo

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Apple's fiscal year runs from September to September. In the last quarter of 2014 alone Apple sold more than 39 million iPhones making \$23.7 billion in revenue. The number of iPads sold during this period was 12 million generating \$5.3 billion in revenue. 5.5 million Macs were also sold by the company and in the process making \$6.6 billion in revenue. iPod and iTunes revenues were \$410 million and \$4.6 billion respectively. The cash dividends for the shareholders were \$0.47 per share at the time. Currently, Apple shares are valued at \$111.62. (Haslam, 2014)

Google Inc. revealed that in the third quarter of 2014 it generated revenues amounting to \$16.5 billion. The site's revenues were \$11.2 billion, representing 68% of all the revenues. The company's partner sites made \$3.4 billion. Other revenues amounted to \$1.84 billion in the last quarter of 2014. Google shares are currently valued at \$528.34/share (Google, 2014). Yahoo had a good third quarter of the year despite analysts' projections. Revenues generated by the company amounted to \$1.094 billion ex-TAC while the GAAP revenues were \$1.14 billion in the same period. Mobile revenues alone were more than \$200 million. Earning for each undiluted share was \$0.52 per share. Currently the market price of Yahoo shares is \$49.94. (Yahoo, 2014)

My predictions of the stock prices for the three companies may have been farfetched in the short run, however in the long run the prices seem plausible as the share prices are slightly below or above the actual prices. My projected value of Apple shares was \$110; this was an inflated value compared to \$103.30/share that the company closed the quarter with. This is also the case with the other two companies. My projections for Yahoo and Google were \$51 and \$590 respectively. However, the two companies fell

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short of these projected values and instead posted \$39. 27 and \$577. 33 respectively, as of September 2014.

If my predictions were to be projected to two or three quarters, then they would be spot on for at least two companies. Take for example the share prices of Apple and Yahoo in this quarter ending December. Apple shares are retailing at \$111. 62/share while Yahoo shares are valued at \$49. 94. It is evident that Apple shares eclipsed my predictions by \$1. 62 dollars. Yahoo shares on the other hand did not meet the bar I set and fell short by less than \$2. However, this is not the case with Google Inc. The company's market share value has unexpectedly dipped far below my expectations. The value between the actual value and predicted value is at least \$20.

Having invested \$10000 in each company, my expected return on investment as of September 2014 for each company would be:

Apple Inc.

$$\$0. 47 * \$10000 = \$4700$$

Google

$$\$0. 00 * \$10000 = \$0. 00$$

Yahoo

$$\$0. 52 * \$10000 = \$5200$$

Despite the market value of Yahoo being quite low compared to the other companies, it had the highest rate of return. This is due to the fact that the company had better terms of reimbursement than the other two companies. Google offered no dividends for its shareholders during that quarter and as a result I did not reap anything from the company.

References

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