

Good stock essay example

[Business](#), [Company](#)



Investment and finance are two important things from the viewpoint of an organization and individualism as well because both of these things are essential. The main perspective of this assignment is to have different stocks for the investment purpose in total (Haim Levy, p. 14). There are three different stocks have been selected for the same assignment and the name of the companies are, Pepsi Co, Starbucks and Microsoft.

The reason behind choosing all of these companies is that all of these companies are some of the industry leaders and main competitors which are increasing their financial belongings. All of these companies are high in revenues as well as in the net income. The Net Profit Margin (NPM) and Gross Profit Margin (GPM) of the selected companies are increasing year on year (YOY), which is the biggest rationale for choosing these ones in total. It is required to select have the stock analysis of all of these companies and then invest related amount in the shares of the company which would become economically prospective and perfect for the company as a whole.

The current stock price of these three companies are mentioned below,

Pepsi Co – 84.46 \$

Starbucks – 81.46 \$

Microsoft – 38.13 \$

Equal amount of investment should have been given in this particular provision in total. We are intending to invest 33% to Starbucks and Microsoft and 34% of the shares in Pepsi Co.

It is advised to use 10 days of trading to complete this thing

We would buy mentioned below share

390 Shares for Pepsi Co

405 Shares for Starbucks

892 for Microsoft

Profit by investing in all of these stocks are mentioned below

The equity has now become

$$= 100,000 + 675.35$$

$$= 100,675 \$$$

The rate of return or Return on Investment (ROI) in this particular analysis is

$$= 100,675 - 100,000 / 100,000$$

$$\text{ROI} = 0.6735\%$$

Now, if we sell the stocks after 10 days on the price level of

Pepsi Co = 92 per Share

Starbucks = 89 per Share

Microsoft = 43 per Share

Then the total equity and ROI would be like this

$$\text{ROI} = 110,281 - 100,000 / 100,000$$

$$\text{ROI} = 10.28\%$$

An investor would earned net return on investment of 10.28%, by selling the shares on the prices mentioned above.

Work cited:

Haim Levy, Marshall Sarnat. Capital Investment and Financial Decisions.

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Pepsico, Inc. stocks, retrieved [online], , accessed on 2013-Dec-02

Starbucks Corporation. Stocks, retrieved [online], < [http://finance. yahoo. com/q/hp? s= SBUX](http://finance.yahoo.com/q/hp?s=SBUX)>, accessed on 2013-Dec-02

Microsoft Corporation. Stocks, retrieved [online], < [http://finance. yahoo. com/q/hp? s= MSFT](http://finance.yahoo.com/q/hp?s=MSFT)>, accessed on 2013-Dec-02