

FINAL ASSIGNMENT: ANALYZING TARGET'S ANNUAL REPORT

A yearly physical examination can provide clues to your physical health. A company's annual report provides clues to the overall financial health of an organization. Some health conditions are not immediately detected by a physical examination or may appear shortly after a yearly exam. A company's financial situation may be analyzed the same.

For this assignment, you will be analyzing Target's most recent annual report. As part of your research, you will also be comparing the performance of Target in the most recent year with Target's previous 3 years. Examine the Table of Contents or Index in their annual report and it will help you locate the items listed below. The auditor's opinion usually is found right after the financial statements, but it might be located before them. The footnotes to the financial statements are located immediately following the financial statements.

Your report should be in paragraph form, may include charts (created by you), and should provide your own analysis of Target's most recent annual report of the items listed below. Use a separate paragraph with a heading at the beginning of the paragraph for each item. The report should be double spaced. How long? Long enough for me to clearly see that you understand the ins and outs of Target for the year. Your own detail or examples will be helpful in explaining this!

Your report is due to me on your last day of class! Good luck!

ITEMS TO INCLUDE IN YOUR ANALYSIS:

Section 1: Introduction

Name of company and year of annual report selected.

Describe the nature of the company's business.

List the company's primary products or services (use brand names where available).

What is the address of the company's corporate headquarters.

What is the address of the company's Web site?

List other countries in which the company operates.

What were the company's revenues for the most recent fiscal year?

Who is the chairman of the company's board of directors?

Who is the company's CEO?

Section 2: Market Information

On what stock exchange is the company's stock traded?

What is the ticker symbol for the company?

What were the lowest and highest stock prices during the past year?

Give a Market Update:(Stock price this week and date)

Section 3: Chairman of the Board Summary

Give a 1 or 2 paragraph summary in your own words of the main points of the chairman's' summary. Identify 2 things he/she states were positive about the year.

Section 4: Financial Statement Analysis

The annual report should contain 4 main financial statements: 1) balance sheet; 2) income statement; 3) statement of stockholders equity and 4) statement of cash flow. Use each of these and compare numbers for the past 3 years (plus this year). Include in 1 paragraph for each financial statement your opinion of two trends (positive or negative) you see based on the financial statements. This section will have four paragraphs (one for each financial statement comparison).

Section 5: Financial Ratios

You have studied several financial ratios over this school year. Select two financial ratios that you believe are important for an investor to look at when analysing Target's performance over the past 3 years (plus the annual report year). Explain why and what information you see from these ratios you would share with an investor. Use one paragraph for each financial ratio you select.

Section 6: Impact of Online Ordering

The Web and online ordering is impacting most big box stores and have been for several years. Analyze what you believe is happen to Target in terms of how their own online ordering has impacted them financially AND how online ordering by customers through other options (such as Amazon) are impacting them. Back up your analysis with any statistics you can find.

Section 7: Summary Statements

Based on your analysis of Target over the past four years (including this annual report), develop 3 summary statements with evidence about Target's current financial state. If you were a financial advisor making a recommendation to your client, would you recommend they invest in Target and why/why not?