Which company should I invest in to make a return?

Sorted in Schools student template for a group project

Group name:
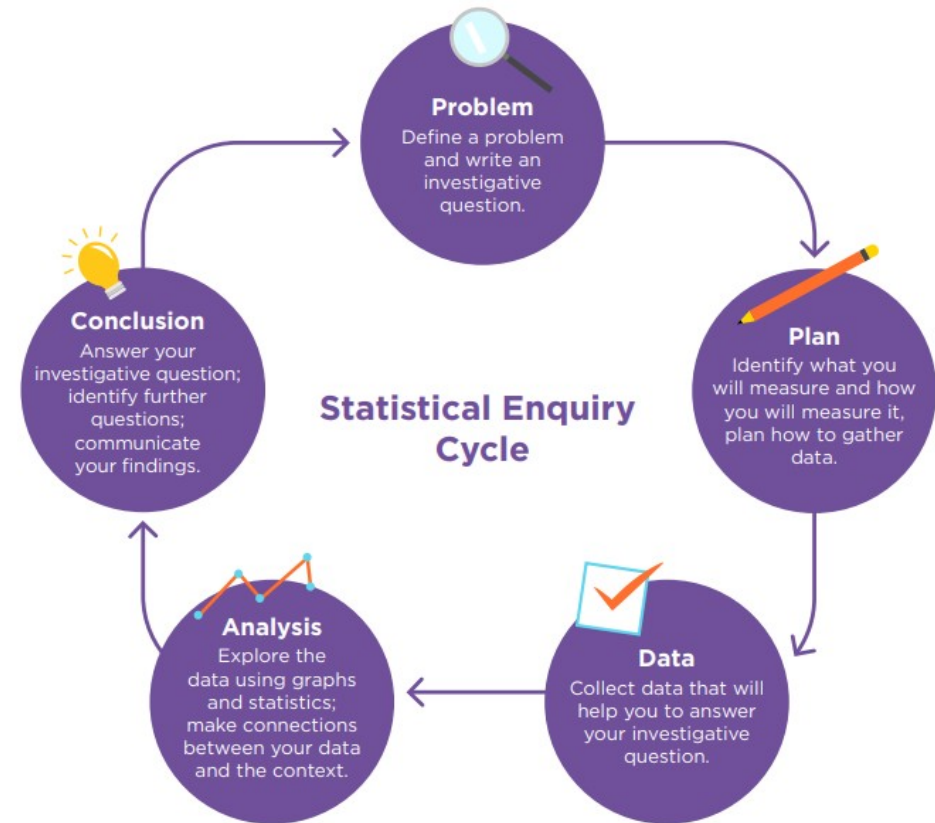
Te whai hua - kia ora!

sorted in Schools

Summary of Project

- Aim: To investigate companies' revenues comparisons and simulate investing in shares

- Time period: 2 - 3 weeks

- Number of people in a group: 3 - 4 people

- Resources & Equipment
  - Project presentation template
  - Spreadsheet tool (e.g. Excel spreadsheet, Google spreadsheet, etc.)
  - Other useful websites

- Outcome: Visual presentation

Te whai hua - kia ora!
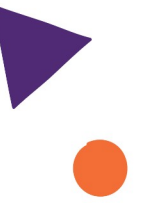
Statistical Enquiry Cycle

To carry out this project a 'statistical enquiry cycle' will be used. There are five stages in this cycle:

- **Problem**: formulate a statistical **question**, what data to collect, who to collect it from and why it is important.

- **Plan**: explain how the data will be gathered.

- **Data**: present how the data is managed and organised.

- **Analysis**: explore and analyse the data, using a variety of data displays, numerical summaries and reasoning with the data.

- **Conclusion**: answer the question in the problem section and give reasons based on the analysis section.

Problem
Define a problem and write an investigative question.

Plan
Identify what you will measure and how you will measure it, plan how to gather data.

Data
Collect data that will help you to answer your investigative question.

Analysis
Explore the data using graphs and statistics; make connections between your data and the context.

Conclusion
Answer your investigative question; identify further questions; communicate your findings.

Statistical Enquiry Cycle

Te whai hua - kia ora!

sorted in Schools

Problem

This project has a clear problem – **_"Which company should I invest in to make a return?"_**

- Research and write down what you know about the sharemarket.

Te whai hua - kia ora!
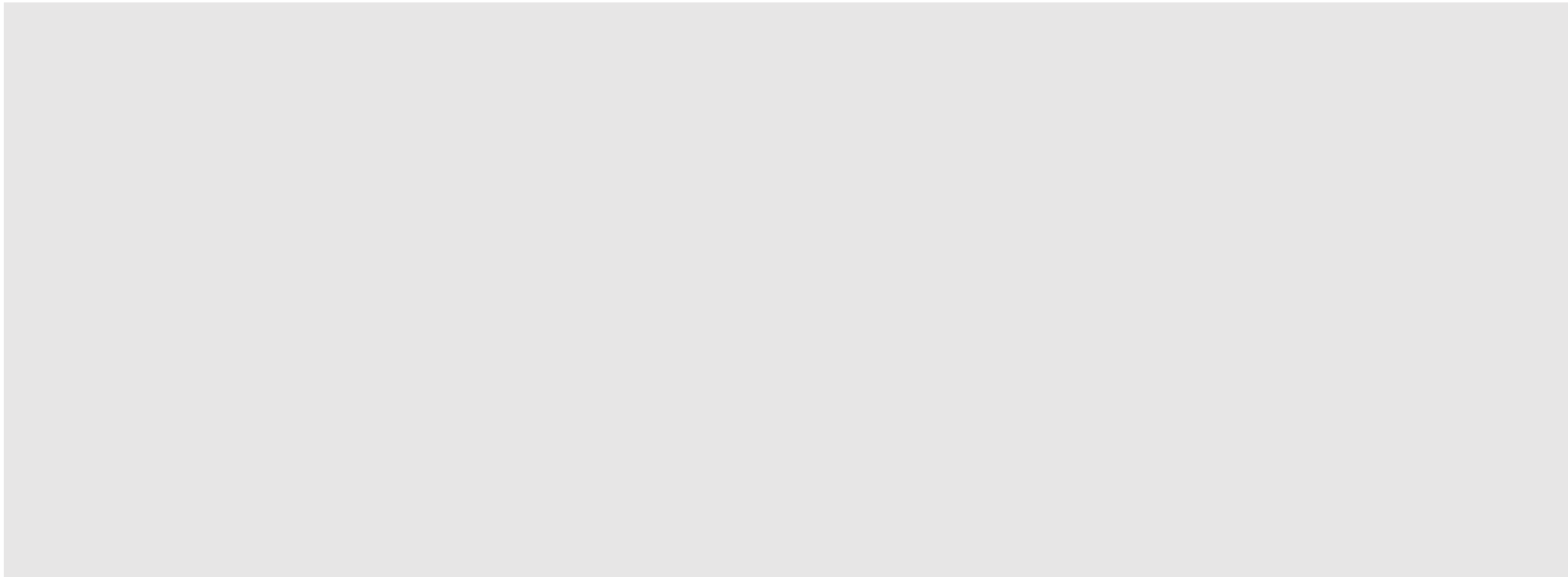
Plan
Part 1. Choose Companies

Which companies are you interested in? Choose two companies you want to compare from the list below.

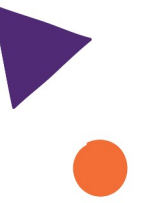| Industry	Company's name
Consumer (Food and beverage)	Costco
Technology	Microsoft
Manufactures	Tesla
Health services	Pfizer
Communication services	Facebook
Financial services	Visa
Retail	Amazon
Transportation	American Airlines

Two companies you want to compare:

                    ,

Te whai hua - kia ora!

Plan
Part 2. Which company seems better placed to grow in the future?

Think about what factors you need to consider when you choose the best company for investing.

Collect the following information about each company and evaluate whether it's worth investing in or not.

- Companies' revenue for last 10 years (or longer period)

- Recent news articles or announcements about the company

- Other useful information or statistics

- Useful websites: yahoo finance, Macrotrends, TradingView, etc.

Te whai hua - kia ora!

Plan
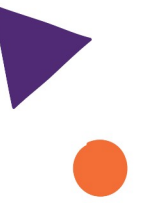
Company A:

Strengths	Weaknesses

Te whai hua - kia ora!
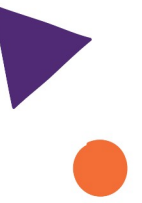
sorted in Schools

Plan

Company B:

| Strengths	Weaknesses

Te whai hua - kia ora!

Data: Compare company's revenue history

1. To compare two company's revenues for the last 10 years, use [Data for investing in shares.xlsx](#) which has the quarterly revenue data of the 8 companies listed from the 'plan' stage.

2. Create a line graph with a trendline on it using a spreadsheet (e.g. Excel spreadsheet). The detailed instruction about how to create a graph is in the 'Investing in shares – learning material' resource. Label the graph and paste it here.

Te whai hua - kia ora!

sorted
in Schools
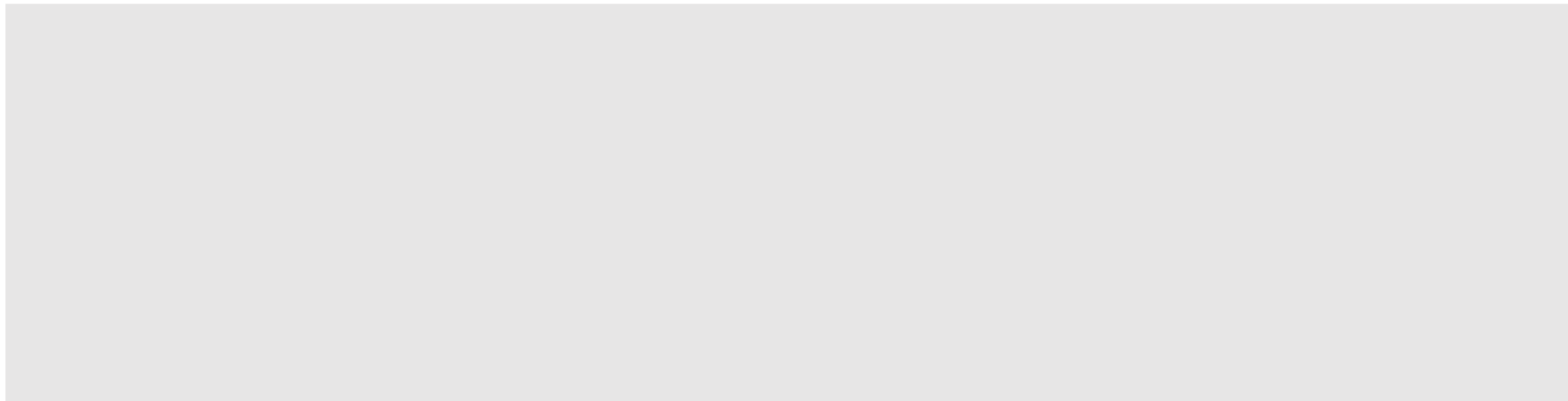
Analysis

- Using the graph, describe its features to compare both companies. Think about:
  - What is the overall revenue trends of the two companies over the last 10 years? Have they decreased or increased overall, and by how much?
  - What are the similarities and differences between the two company's revenue history?
  - Are there any unusual features of the graph? What could be the reason why they have happened?
  - Are there any other interesting features that you want to discuss when comparing the two companies?

Te whai hua - kia ora!

sorted in Schools
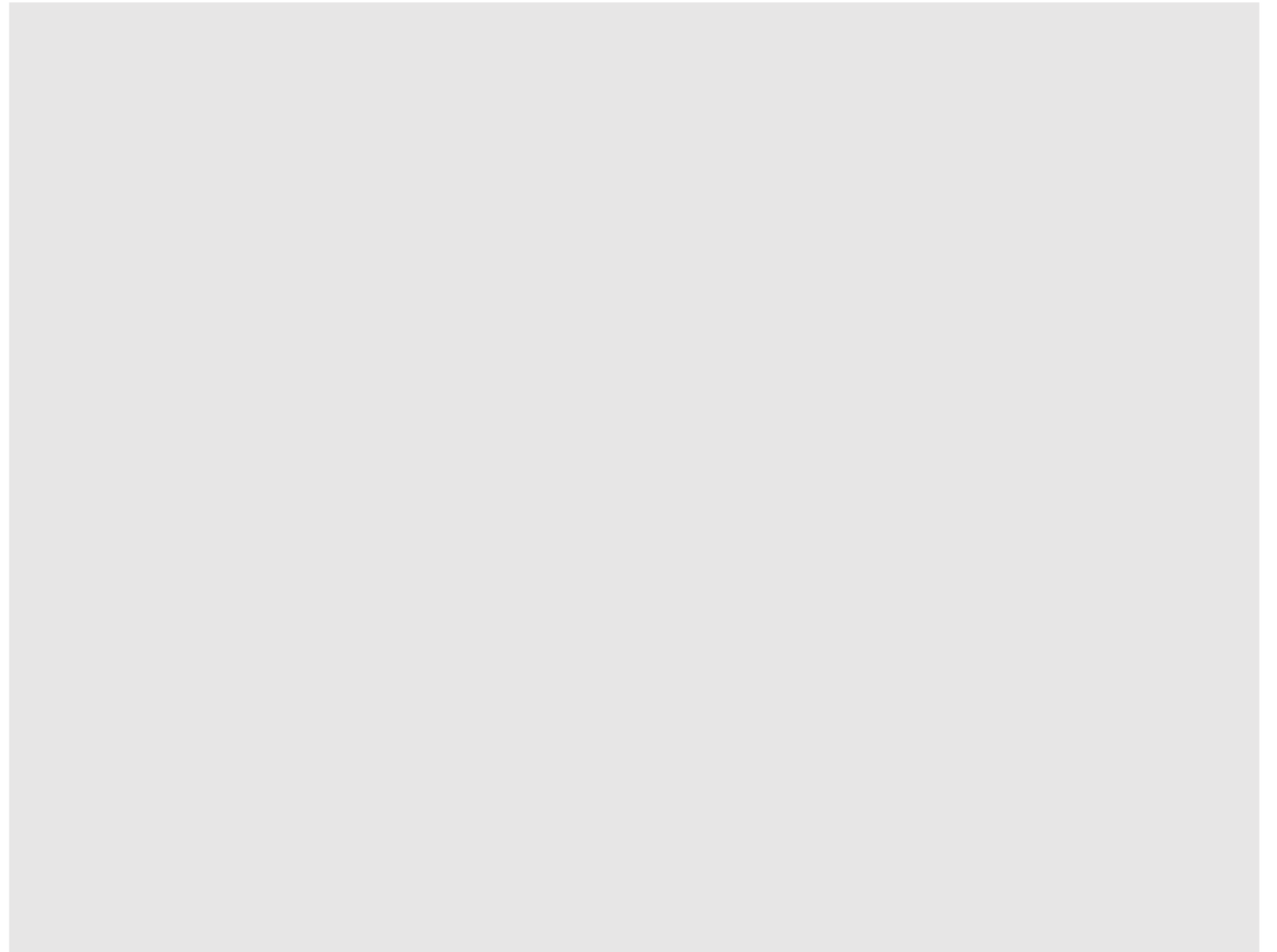
Conclusion
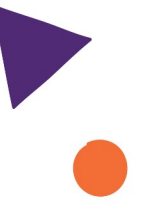
- Using the analysis of the graph that your group discussed in the previous part, write down which company had the better revenue growth overall.

  - Company:

  - Justify your choice using your analysis of the graph:

Te whai hua - kia ora!

Let's find out!

Now you've chosen a company, it's time to simulate an investment – and see what happens!

1. Assume you invest **$1,000** in this company. Let's see what your investment will be like in one week 's time.

2. Use the table on the next slide to record the company share price each day – for the next seven days.

3. Calculate how much return you make each day. At the end of the seven-day period, you'll see how much you earned or lost.

This activity illustrates how shares work practically over a short timeframe.

It is important to remember that shares should be considered as a <u>long-term investment</u>.

Te whai hua - kia ora!
sorted in Schools

Let's find out!
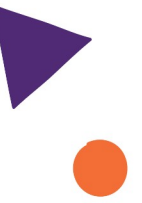
Initial investment (Day 1)

Company Name	Your investment (USD)	Share price (USD)	How many shares (your investment ÷ share price)
	$1,000		

Day 2 to 7

Day	New share price (USD)	Total (No. of shares x new share price)	Profit/loss (Total - $1,000)
Day 2			
Day 3			
Day 4			
Day 5			
Day 6			
Day 7			

Te whai hua - kia ora!