FIN 3014 — PRINCIPLES OF BUSINESS FINANCE LAB
Stock Price and Return Assignment

Due Date: February 25

This assignment will build toward a larger assignment at the end of the semester.

Goals for this assignment:

- Gather historical price data
- Gather historical S&P500 data
- Use excel to manipulate gathered data
- Create a report with a chart and your observations

Your tasks:

1. **Collect historical price data.**
   You have been assigned a company to research this semester. We would like to compare the activity of an individual company's stock price to how stock prices are doing in the market overall. We will use the S&P500 as our benchmark for overall stock market performance. You will begin by collecting historical stock price data for the company and the S&P500 using the http://finance.yahoo.com website.

   1. Type in the ticker symbol for your company in the symbol box and press "go". You will get a page that has financial information about your company and menu options on the left-hand side of the screen.
   2. Select "quotes" and choose "historical prices" from the menu options. You will be given options about the time period and frequency of the data you are collecting.
   3. Chose monthly data beginning date: January 1, 2006 and ending date: December 31, 2010. Then press the "get prices" button. You will get the historical price information.
   4. Scroll to the bottom of the table and Press the "download to spreadsheet" button. A file will open in Excel.   Save this file as an excel file.
   5. Repeat steps 1-4 for the S&P500 Data using ticker symbol "^GSPC"

2. **Manipulate data.**
   Now that you have the information in an excel file, you can use your excel skills to manipulate it as you need. The date and "adjusted close" column for your company and the S&P500 are the only columns you need.
   1. Copy/paste the data needed to a new spreadsheet
   2. Sort the data from "oldest to newest"
   3. Calculate the returns for both "your company" and the S&P500
   Present your information graphically and professionally:

3. **Creating your reports:**
   These reports will include a chart and some comment from you regarding your observations of the data. A chart is a graphical presentation of data which makes observations easier. You will select options so that Excel knows what kind of plot to

draw. You will add labels to your chart to explain the plot and so you can interpret the results.

❖ Keep your report to one page, portrait, with a size 12 font that is easy to read.
❖ Use either company specific colors or primary colors.
❖ Use different types of lines (dots and dashes) to distinguish between the companies if it is printed in black and white or grayscale.
❖ Use labels to identify all important information
❖ Place the legend at the bottom of the chart so that you use the maximum width possible for your plot.

Price History Report
Your chart should have a line plot with the date on the X axis, the price of your stock on the primary Y axis, and the value of the S&P500 on the secondary Y axis.

Look at your graph and see what observations you can make. Consider at least the following questions:

• Has the movement of your stock price varied greatly from that of the S&P500?
• Has the price of your stock increased (or decreased) significantly over the past five years?
• How volatile has your stock price been, especially compared to the S&P500?

Returns Report
Your chart should have a line plot with the date on the X axis, the returns of your stock and the S&P500 on the same Y axis.

Look at your graph and see what observations you can make. Consider at least the following questions:

• Has the return on your stock varied significantly from the S&P500?
• Has the return on your stock been much higher or lower than the S&P500?
• Has the return on your stock been more variable than the return on the S&P500?