

Week #8 – Exam #2 This Week – Chapter 5, Introduction to Stocks – Chapter 6, Stock Valuation Techniques

Okay, Everyone, this week is your opportunity to show the world how much you have learned about stocks and stock valuation techniques! Exam #2 covers the introduction to stocks material in chapter 5 and the stock valuation calculations from chapter 6. This exam will be available this week starting Wednesday night until Sunday evening. We want you to study, study, study the material for chapters 5 and 6. The first part of the exam will be multiple-choice and true-false questions and are taken from chapter 5. It will be available in the [Exams] section of Blackboard.

The second part of the exam will contain the calculations. It will also be available in the [Exams] section. However, it will be a downloadable document that you will submit to me in the same manner as an assignment. (Alternatively, you can bring a printed copy to room 470K and place it in my mail box. You can ask the office workers to put it into a confidential envelope if you prefer.) There will be a few calculations from chapter 5. These calculations will be very much like the calculations from the chapter 5 worksheets which include the price / earnings ratio, dividend payout ratio, dividend yield, and market capitalization. You will also need to identify whether a stock is a large-capitalization (>\$10 billion), mid-capitalization (between \$1 or \$2 billion up to \$10 billion), or small-capitalization company (<\$1 or \$2 billion). The stock valuation calculations from chapter 6 will be *exactly* like the calculations from the presentations *and* the two worksheets *and* the chapter 6 assignment. They will even be in the exact same order! The calculations are really not that hard once you have done them a few times. So, please do them a few times ... and then please, please, please do them again a few times! (Does this all sound familiar? Do we want you all to shine brightly on the exam? Yes, we do! Study every day! You can do it!)

It is so obvious that all of you are understanding all of the material so well! How do I know? Because there are no questions on *The Strength-to-Go-On Bar & Grille* or *The Stock Steakhouse* discussion forums about stocks and I have received only one question via e-mail! So I am absolutely sure that everyone understands everything from chapters 5 and 6, right? (Yeah, right. Sí, como no. Uh, Folks, are you catching the irony in this paragraph?) Please submit your questions to the discussion forums or to me via e-mail. We want you to succeed!

Please study hard and do well on the exam! Don't Give Up! ***Never*** Give Up!

Sincerely,

Frank Paiano

P.S. Exam #2 is this week starting Wednesday night until Sunday evening. It covers chapter 5, Introduction to Stocks, and chapter 6, Stock Valuation Techniques. ***Study hard and bring honor and glory to Southwestern College!***