

STUDENT ACTIVITY**Chapter 18****Internet Connection
Using Financial Statements****EXPLORE**

Financial statements are prepared to report accurate, up-to-date financial information. The Hoovers Online Web site offers comprehensive business information on thousands of publicly traded and privately held companies.

Keywords: _____

DIRECTIONS

Locate the Hoovers Online Web site. Search for current information on Wal-Mart Stores, Inc. and Kmart Corporation. Complete the following worksheet and answer the questions that follow.

NET RESULTS

Hoovers Online Web site address		
Company	Wal-Mart Stores, Inc.	Kmart Corporation
Quarterly Financial Data		
Revenue for most recent quarter		
Total net income for most recent quarter		
Total assets for most recent quarter		
Total liabilities for most recent quarter		
Company Data		
No. of stores in operation		
Company headquarters address		

CRITICAL THINKING QUESTIONS



1. If you had plans to open a discount retail store similar in concept to Wal-Mart or Kmart, how might you benefit from reviewing financial reports of competitors and industry giants?

1. An owner or manager of a business will use the data on the company's financial statements to make business decisions. If the financial records reported decreased revenues over several quarters, what business issues might be discussed or reviewed?

1. You own a retail auto parts store. After you prepare your financial statements, you find that your firm's net income is 1% of total revenues. Find an auto parts retailing store on the Hoovers Web site. Compare the percentage of net income to total revenue for the company you locate. How does this compare to your percentage? Discuss how you might use this information.

EXTENSION EXERCISE



Choose a company listed on the Hoovers Web site. Create a one-page report on the company. Describe the operations of the business and discuss the financial condition of the company using figures from the company's most recent quarterly reports.

