

Chapter 14 Group Project Solutions

Obtain the annual reports (or annual report data) of five well-known companies. You can visit the website for each company or the SEDAR database, which includes the financial reports of most well-known, publicly traded Canadian companies.

1. After selecting five companies, examine their income statements to search for the following items:

- a. Income from continuing operations
- b. Discontinued operations
- c. Cumulative effects of accounting changes
- d. Net income or net loss
- e. Earnings-per-share data

2. Study the companies' balance sheets to see

- a. The classes of shares each company has issued.
- b. Which item carries a larger balance—the Preferred Shares accounts or Common Shares account?
- c. The percentage of each company's total shareholders' equity that is made up of retained earnings.

3. Examine each company's statement of shareholders' equity for evidence of

- a. Cash dividends
- b. Stock dividends and stock splits
- c. Repurchases and sales of the company's own shares.

4. As directed by your instructor, either write a report or present your findings to your class. You may be unable to understand everything you find, but neither can the Bay Street analysts! You will be amazed at how much you have learned.

The student responses will vary depending on the companies they select.