

\$\$\$ Calculating Sales Increases \$\$\$

Calculating a business' sales growth takes a little math, but you must do it if you want to invest in a good Rule Maker type company. (This is Step 2 –D on your Rule Makers Stock Research Guide)

Step 1.

Go to fool.com. Under the Data & Quotes tab, enter the ticker symbol for the company you wish to research, then click on financial. Click on annual financials so you can view past years history. Write down the amount of sales starting with the earliest year you have information on . (You should try to get information for the last 4-5 years)

Example

1. Net Sales for Company X

2000	1999	1998	1997
\$65,891	\$62,600	\$53,223	\$51,557

2. Now subtract this year's sales from last year's

2000	1999	1998	1997
\$65,891	\$62,600	\$53,223	\$51,557
<u>-62,600</u>			
\$3,291			

3. Divide the above number by this year's sales. This figures out what percentage of sales the growth is.

$$\frac{\$3,291}{\$65,891} = .05$$

4. Convert decimal to percentage by moving the decimal point over two places.

$$.05 = 5\%$$

Follow the above process for your number by using the worksheet on the back

Turn this is with your Rule Maker Stock Research Guide. You must show your work!!!

Your Name _____

Period _____

Company Name _____ Ticker Symbol _____

Net Sales

,

Directions Enter the year in this row ->				
1. Enter the net sales amount here Ex. \$51,557				
2. Subtract this years sales from next years Ex. \$53,223 <u>-\$51,557</u> =\$1,666				
3. Divide the above number by this years sales (this figures the percentage) Ex. $\frac{1,666}{51,557}$ = .03				
4. Convert decimal to percentage .03=3% growth				

*****Average sales growth for a company should be 5% or more. If yours is consistently less than 5%, this is probably not a good company for you.