

## Stock Report Assignment

The stock-report assignment has three components—(1) the stock-purchase table, (2) the stock weekly values table and article, and (3) the short letter report. Completing the purchase table and the weekly values table will provide you with data to use in preparing a short analytical business report.

The primary purposes of this assignment are to learn and apply principles associated with the following—

1. Preparing a short report in which data is analyzed
2. Preparing and displaying graphic aids in a written presentation to support the text
3. Working in groups

In preparing the stock-performance informal report, you will also receive mild exposure to the stock market and some of the financial information associated with stocks that are traded on the New York Stock Exchange and with the Dow Jones Industrial Average (DJIA).

In preparing to write the report, assume you work for an investment company, Bunnell Financial Associates, and a new client, Julia Eastman, wants you to purchase 100 shares of stock for her on Monday, August 25, 2014, in each of eight different companies, for a total of 800 shares of stock. So you purchase the stock (See the **Stock Purchase Table** assignment) and then track the performance of the stock, as well as the performance of the market as a whole by tracking the DJIA, (See the **Stock Weekly Values Table and Article** assignment) so you can report to Ms. Eastman how her stock is doing.

After eight weeks, Ms. Eastman notifies you that because of an emergency she needs the money she has invested in the stock, and she wants you to sell it and send her a check for the selling value. You sell the stock as she instructed and then prepare a short letter report to send with her check telling her how her stock performed. You support what you tell her using data from the table you prepared of the weekly values of the DJIA and of her stock while she owned it and using information from the article you found that was published during the time Ms. Eastman owned the stock and that talks about one of the companies she owned stock in. You also will need to include a few paragraphs in the report explaining what the DJIA is so your client will clearly understand when you compare the performance of her portfolio and the DJIA.

To illustrate what you write about in your report, you will include three graphics—

1. A table of the purchase and selling values
2. A line graph comparing the performance of the portfolio and the DJIA
3. One other graphic (not a table) that you create and include to illustrate what you present in the report

Organize the information in your letter report under the following three subtopics—

1. Purchase and Selling Values
2. Explanation of the DJIA
3. Performance Comparison of the DJIA and the Portfolio

This letter report is a routine, direct-sequence document, and so it will be organized according to the preview (introduction), present (body), review (conclusion) pattern. It will have subtopics, and so it will have an agenda and corresponding headings. With the headings and graphics, the report will be three or four pages long.

Write the report as a group of three students, as assigned in class. Select the stock weekly values table and article of one group member to use for the data to base your letter report on.

**Use the guidelines below as you plan, write, and revise your report.**

**Prewrite/Plan—Prepare to Write the Draft**

1. Analyze the data in the weekly values table and list the main points you can draw from the data. For example, consider the following, in addition to other points of interest you may find:
  1. What is the overall gain or loss of the portfolio and of the DJIA?
  2. Which individual companies gained value? Which gained the most?
  3. Which lost value? Which lost the most?
  4. How and when did the DJIA change in value?
  5. Did any dramatic changes in value occur in the stock or in the DJIA? If so, when?
  6. Which weeks had the most gain and the most loss for the stocks and for the DJIA?
  
2. Gather information on the Dow Jones Industrial Average (DJIA) so you can briefly explain what it is to your client in your report. Remember that the DJIA is not a dollar value, but rather it is an index number that is helpful only when comparing it to the index number from previous time periods. Answer the following questions in a couple of paragraphs as you explain the DJIA to your client in your letter report.
  1. What is the DJIA in general? What is its purpose?
  2. When and why was it created?
  3. How is the number determined? Is it a dollar value? Why not?
  4. What are some of the 30 companies whose stock values are used in computing the DJIA?
  5. Who uses the DJIA, and why?
  6. What does a comparison of the performance of the DJIA and the performance of specific stocks or portfolios of stocks show?
  
3. Create the three graphics to support and reinforce the points you make in the text of the letter.
  1. A table that shows the purchase and selling values and gain or loss of each stock and of the whole portfolio. See the table on page 204 of the text for a good example of the content and format of this table.
  
  2. A multiple-line graph that compares the performance of the overall portfolio with the performance of the DJIA during the time Ms. Eastman owned the stock. Because the portfolio value is a dollar amount and the DJIA is an index number, you cannot plot them directly in the same graph. You must convert both in some way so they can be legitimately compared. The most logical conversion is percentage of change so the reader can see the percentage of change each week compared to the first week and thus the overall gain or loss in value of the portfolio.

The formula for computing percentage of change is latter time period minus former time period divided by former time period:  $\frac{\text{Week 2}-\text{Week 1}}{\text{Week 1}}$ . You must be sure the decimals are correctly placed. For a legitimate comparison of the selling value with the purchase value, you should always use the purchase value as the “former” time period. That way, the comparison will show how much the stock went up or down since it was purchased. For example, for the third time period, the formula will be  $\frac{\text{Week 3}-\text{Week 1}}{\text{Week 1}}$ .
  
  3. One other graphic (not another table) that helps illustrate how the stock performed.

Label your graphics in the letter Figure 1, Figure 2, and Figure 3 and provide a complete, appropriate title for each graphic that introduces the reader to the specific content of the graphic (remember, a graphic should be able to “stand on its own two feet”). Capitalize the titles correctly, and include the figure number as part of the title. To specifically distinguish these graphics, the client’s name should appear in each graphic’s title.

### **Write—Write the Draft and Insert the Graphics**

**Using the data and graphics you prepared in the prewrite stage, write a draft of your report telling your client how her stock performed during the time she owned it.** Support what you say in the letter with the graphics you created from the data you collected weekly and with references to the article that discusses companies in which you held stock for Julia. Be sure to document the news source in your report—basically, include in parentheses following the cited information the author’s name, the article’s title, the name of the source of the article (newspaper, journal, etc.), the date of publication, and the page numbers, if available. If the source was published online only, include at least the homepage URL. You can use some of the bibliographic information in the sentence referring to the article content, and then you will include only the remaining bibliographic information in the parentheses.

Remember to do the following with the graphics you use in your report.

1. Insert the graphics in the report where appropriate to support what you are saying in the text. **Be sure to refer to each graphic before it appears in the text for good access**—point out specific information the graphic shows.
2. If a graphic will not fit at the bottom of the page, put it at the top of the following page, and continue with text on the preceding page where the graphic wouldn’t fit.
3. In the report, when referring to the graphic and its content, avoid merely describing the overall content of the graphic. Point out two or three key pieces of information in the graphic; or point out a conclusion that can be drawn from the content of the graphic.

### **Rewrite/Revise—Edit the Report**

Revise the draft of the report considering first the content. Should more be added in a section? Should some content be deleted? Check to see that the content is enough in each section to meet the purpose of the report—to let your client clearly understand how her stock performed and why. Finally, copyedit the report for formatting; spelling, word usage, capitalization and other mechanics; etc.

Allow time for each group member to review the draft and make suggestions for revision. Meet in person, if possible; or use email, Google docs, Canvas, or another online tool; or edit by phone (in a conference call, if possible).

## Please Note

A sample report will not be posted to Canvas because then students feel locked in to doing the report just like the sample, when other ways work as well.

However, you can visualize the report in your mind by considering the following characteristics of the report:

- Set it up in letter format (it is an informal report), probably full block. Use the assigned company name to create a letterhead.
- Because the report is a routine message, giving information about stock performance to a client, it will use the PPR (Preview—introduction; Present—body; Review—Conclusion) organization pattern we've used for several writing assignments--the self-intro email is one of those. So include in the first paragraph some set up, the purpose, the main idea, and the three assigned agenda points.
- Then, in the body of the report, or the Present part, create a heading from each agenda point and include appropriate content and graphics under each. Second-degree headings (lined up at the left margin, with a triple space before and a double space after) will likely work best. Remember to bold the headings and to capitalize them appropriately.
- End the letter report with a two-or-three-line paragraph that refers back to the main idea and has a forward-looking reference.

Read the assignment on Canvas carefully for additional help, particularly with creating and formatting the graphics.

Bosses at work will not routinely have document samples for employees to view each time employees need to create and send some type of business message. But you can create an effective document by applying the principles of effective writing that we have learned in class--letter formats, PPR organization for routine messages, graphics construction and placement, etc.

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*Adapted from materials used by my colleagues in the Management Communications department,  
Brigham Young University*