

**EPS**

Apple, ExxonMobil and Wells Fargo were three of the largest companies in the United States by net income in 2014. (Figures for 2015 won't be finalized until the end of March 2016 – it takes time.)

Apple had net income of \$39.5 billion in 2014. As of December 27<sup>th</sup> 2014, Apple had 5.826 billion shares outstanding.

ExxonMobil had net income of \$32.5 billion in 2014. As of December 31<sup>st</sup> 2014, ExxonMobil had 4.201 billion shares outstanding.

Wells Fargo had net income of \$23.1 billion in 2014. As of December 31<sup>st</sup> 2014, Wells Fargo had 5.17 billion shares outstanding.

Determine the EPS numbers for Apple, ExxonMobil and Wells Fargo as of the end of 2014.

Apple	ExxonMobil	Wells Fargo
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Interpret these figures. Which company earned the most per outstanding share?

**P/E**

At the close of 2014, Apple's share price was \$113.91. ExxonMobil's was \$92.45 and Wells Fargo's was \$54.82.

Determine which of these three companies had the highest and lowest P/E ratios. Show your work.

Apple	ExxonMobil	Wells Fargo
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What do these figures mean?

If you were advising a client as to a stock that is inexpensive based on the value received, which stock would you choose?

### Dividend Yield

Use the website <http://investor.apple.com/dividends.cfm> to determine the total in cash dividends that Apple paid in 2014.

Write the annual dividend here:

Google: “exxonmobil annual dividend per share” and choose the result that’s published by [corporate.exxonmobil.com](http://corporate.exxonmobil.com) (should be the second one). Determine ExxonMobil’s total dividend paid in 2014.

Write it here:

Google: “wells fargo annual dividend” and choose the result that’s published by Wells Fargo. It should be the top one. Determine their 2014 annual dividend and write it here:

Use the year-ending share price from the first page to determine the dividend yield for 2014 for each stock. Write them on the lines below.

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Apple

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ExxonMobil

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Wells Fargo

What do these figures mean?

Which stock is a better income stock? Why?