**1 PAST SALES RECOR**

Sales for most recent year were ............................................(1) $ ........................................

Sales for next most recent year were .................................(2) $ ........................................

Total of above (1+2) ..........................................................(3) $ ........................................

Figure above divided by 2 ......................................................(4) $ ........................................

Sales 5 years ago were .........................................................(5) $ ........................................

Sales 6 years ago were .........................................................(6) $ ........................................

Total of above (5+6) ..........................................................(7) $ ........................................

Figure above divided by 2 ......................................................(8) $ ........................................

Increase in sales in above period (8 from 4) ..........................(9) $ ........................................

Percentage increase in sales (9 divided by 8) .......................(10) ........................................ %

This % Increase in Sales Gives ....................................................27 33 46 61 76 93 112 129 148 205 271

This % Compounded Annual Growth Rate ............................5 6 8 10 12 14 16 18 20 25 30

Look for the percent increase that meets the objective you have set.

**2 PAST EARNINGS PER SHARE RECORD**

Earnings Per Share for most recent year were ...........................(1) $ ........................................

Earnings Per Share for next most recent year were ...........................(2) $ ........................................

Total of above (1+2) ..........................................................(3) $ ........................................

Figure above dividend by 2 ......................................................(4) $ ........................................

Earnings Per Share 5 years ago were ......................................(5) $ ........................................

Earnings Per Share 6 years ago were ......................................(6) $ ........................................

Total of above (5+6) ..........................................................(7) $ ........................................

Figure above divided by 2 ......................................................(8) $ ........................................

Increase in Earnings Per Share in above period (8 from 4)  .......(9) $ ........................................

Percentage increase in earnings (9 divided by 8) ....................(10) ........................................ %

See Conversion Table above to determine ................................

Earnings Per Share have increased ________________________ than sales in this period.  

(1) (2)

Explain Apparent Reason for Difference in Sales and Earnings Per Share Growth:

_______________________________________________________________

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Discuss Possible Reasons for Past Growth:
   A new product was very successful. 
   A cyclical business that experienced recovery. 
   A research program has produced several new products or uses for older products. 
   Purchase another company. 
   Has taken larger share of business in its field. 
   Skill of management. 

Will Factors Which Produced Past Growth Continue Effective
   for the next five years: yes, yes, yes, but less effective, no.

3 PRICE RECORD OF THE STOCK

<table>
<thead>
<tr>
<th>Present Price $</th>
<th>Present Earnings Per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>B</td>
</tr>
</tbody>
</table>

3.5 Price Record of the Stock

<table>
<thead>
<tr>
<th>List Last 5 Years</th>
<th>High Price Each Year (A)</th>
<th>Low Price Each Year (B)</th>
<th>Earnings Per Share (C)</th>
<th>Price Earnings Ratio at High (A ÷ C)</th>
<th>Price Earnings Ratio at Low (B ÷ C)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Totals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Averages</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Average of High and Low Price Earnings Averages for the past five years.

Present Price is ________ than high price five years ago.

   (higher)    (lower)

Present Price is ________% higher than the high price 5 years ago. Compare this figure with the percent sales increase in 1 (10) and percent earnings per share increase in 2 (10).

The price change compares with sales growth and earnings per share growth ________ (favorably or unfavorably)

This stock has sold as high as the current price in ________ of the last 5 years.

In the past five years the stock ________ sold at unusually ________ price earnings ratios.

   (has)     (has not)       (high)    (low)

The Present price earnings ratio is ________.

   In relation to past price earnings ratios the stock is currently

   ________ selling at a higher ratio
   ________ selling about the same
   ________ selling lower

The average price earnings ratios of the past might be expected to continue ________.

   or should be adjusted to ________ high, ________ low.

4 CONCLUSION

1. The past sales growth rate ________ meet our objective.
   (does) (does not)

2. The past earnings per share growth rate ________ meet our objective.
   (does) (does not)

3. Our conclusion has been that possible earnings per share growth rate ________ meet our objective in the coming five years.
   (will) (will not)

4. The price of the stock is currently ________.
   (acceptable) (too high)

This form is not meant to give you an adequate analysis of the stock, but is meant to help the beginner ask questions to indicate whether the company is likely to become more valuable and if it can be purchased reasonably. As Investors gain practice, a more thorough study of the stock is suggested using NAIC's Stock Selection Guide and Report as a guide.