MPW-118207-4-1200ERDW

by ABC XYZ

Submission date: 18-Dec-2019 01:25AM (UTC-0800)

Submission ID: 1236450904

File name: MPW-118207-4-1200ERDW.docx (51.57K)

Word count: 1159

Character count: 6324

Statistical analysis of the market performance

Student's Name

Institution

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Introduction

The purpose of the study is to analyze the performance of three different companies listed on the stock market Woolworth, Commercial Bank of Australia and Crown Plaza Hotel. The analysis of the study market performance is investigated to determine the impact of the performance of each company to the general performance of the stock. It is also used to determine the portfolio and the level of risk related to investment in each company to determine a company with less risk of investment. Woolworth Corporation is one of the leading Multinational Companies with several stores worldwide. Crown Plaza, Woolworth and CBA are listed in the stock exchange and it has been one of the best performances in the supermarket industry.

Real-world business situation

Stock market performance is usually affected by the performance of a single company. The success or profitability of a stock market depends on the performance of every company listed on the stock market. This therefore, means that it is important to understand the risk factor of each company and the relationship with other listed firms on the market. Therefore, it studies established among the three companies Woolworth, Crown, and CBA are of high risk and the one with a high return based on the performance of stock prices on the stock market. With high risk, investors would not invest and this could affect the stock market performance.

Data collection

First, data was collected from Yohoo.com Finance. It was downloaded based on the opening and closing stocks of the stock performance of the said company for them since 2002. The data collected was measured against the average market performance to determine the risk factors of Woolworth against the stock market. The closing and opening prices of the stock or share for Woolworth for the last years were downloaded and then analyzed. First, the return was determined by dividing the closing and the opening balances of the stock market. The different obtained is used to analyze the performance of the company in the stock market. Data is used by investors to evaluate the risk factors of the company.

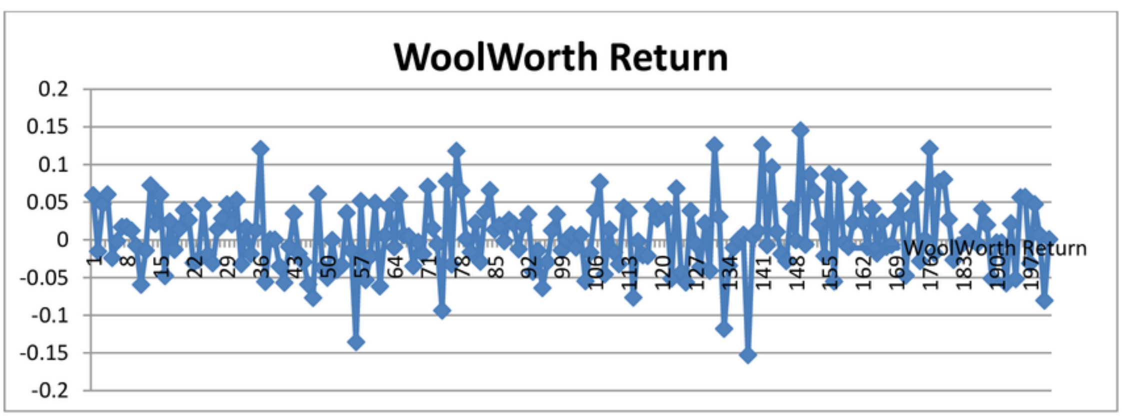
Data Analysis

The data analysis technique was is ANOVA, therefore, ANOVA was used to analyze the data. The closing price and the opening price of the Woolworth were downloaded and then analyzed using ANOVA and descriptive statistics. The Anova is used to analyze difference variance and therefore, it helps to determine whether the null hypothesis should be rejected or accepted. According to Sawyer (2019), it helps the researchers to determine differences between variance and therefore, it can be used to establish the relationship between the two variables. In this case, the Anova is used to establish whether the Woolworth, CBA and Crown stock market performance affect the general performance of S&P 500 returns.

Result obtained

As illustrated in figure 1 below, the Woolworth return fluctuates from 2002 to 2019. And this is applied to other companies Crown and CBA. The result of the study is as indicated in the graphs below and therefore, it reflects that the companies affect the market differently.

Figure 1: Woolworth Return Graph between 2002 and 2019



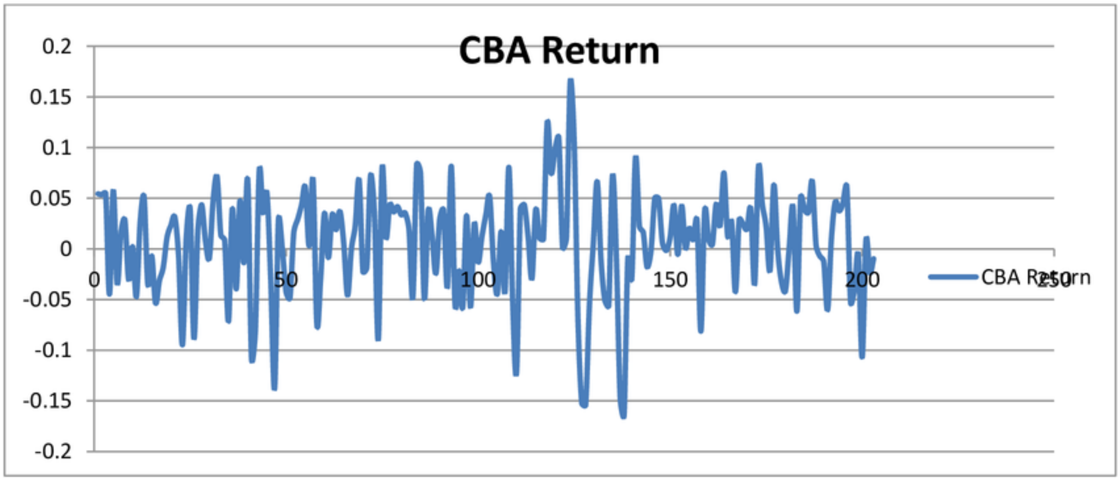


Figure 3: ANOVA analysis of the data

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.001607
R Square	2.58E-06
Adjusted R Square	-0.00497
Standard Error	0.041582
Observations	203

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	1	8.98E-07	8.98E-07	0.000519	0.981841
Residual	201	0.347544	0.001729		
Total	202	0.347545			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95.0%*	*Upper 95.0%*

Intercept	-0.00493	0.002943	-1.67447	0.095594	-0.01073	0.000875	-0.010730092	0.000875
X Variable 1	0.001434	0.062937	0.022789	0.981841	-0.12267	0.125535	-0.122666879	0.125535

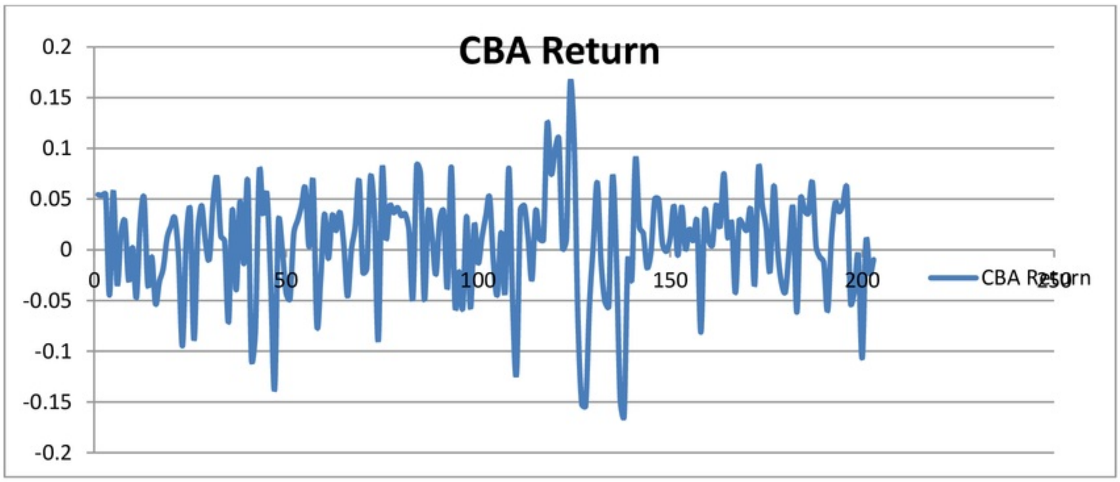
Task 2

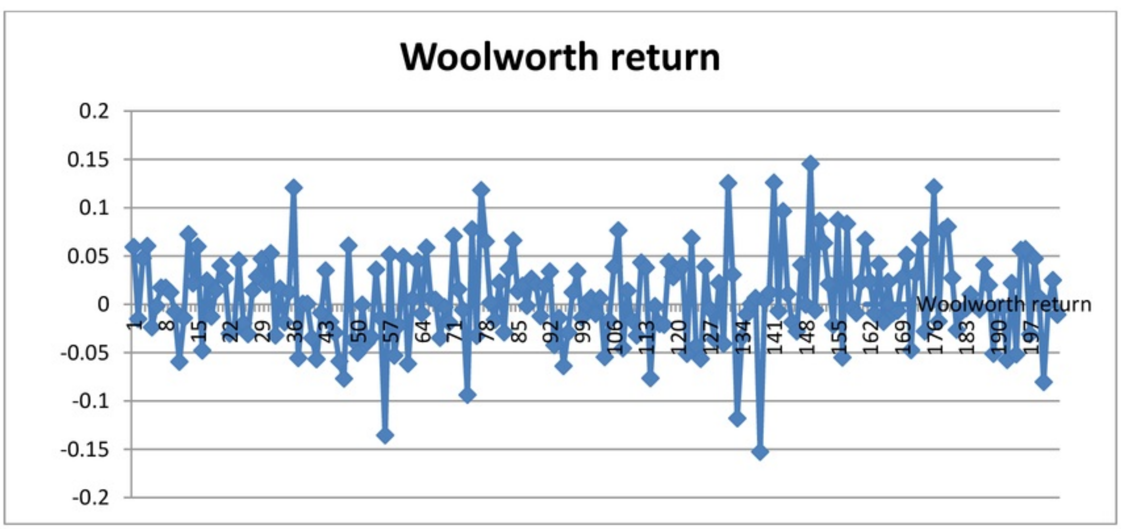
Real Business situation

The performance of S&P500 performance depends on the companies listed on the market. This therefore, means that the stock performance could increase or decrease based on the performance of other companies on the market. The decline of the performance of one company negatively affects the performance of the stock. The stock performance of the company is also used by investors to evaluate the performance of a company. Therefore, the data of Woolworth, CBA and Crown could be used to assess whether to invest in a particular company or not. Through the evaluation, analysis of the data of the stock performance, it would be easier to determine whether the company is worth being invested in or not (Cowan, 2014). With the rest from the financial data obtained, the portfolio, risk factors and profitability of a company would be established and therefore, provide information that can be used to make an investment decision.

Data collected

For the efficient of the study, the data was collected from the stock market posted on Yohoo.com Finance database. The data collected are related to opening prices, closing prices and S&P 500 return for the specific period. The opening price of the stock and closing price of the stock between 2002 and 2019 was downloaded from the database of Yoohoo.com and therefore, it represents the performance of CBA, Woolworth and Crown Plaza. The S&P500 return was based on the specific return registered based on the performance of the companies on the stock market. Therefore, the data are the financial performance of the three companies and the S&P500, which is the market performance.





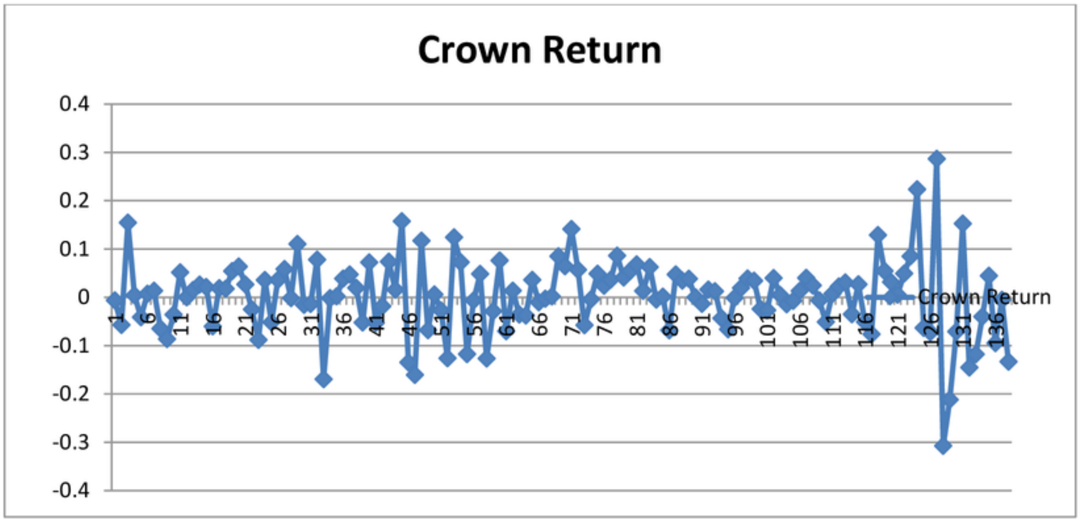


Figure 3: Portfolio return of Woolworth, CBA, and Crown.

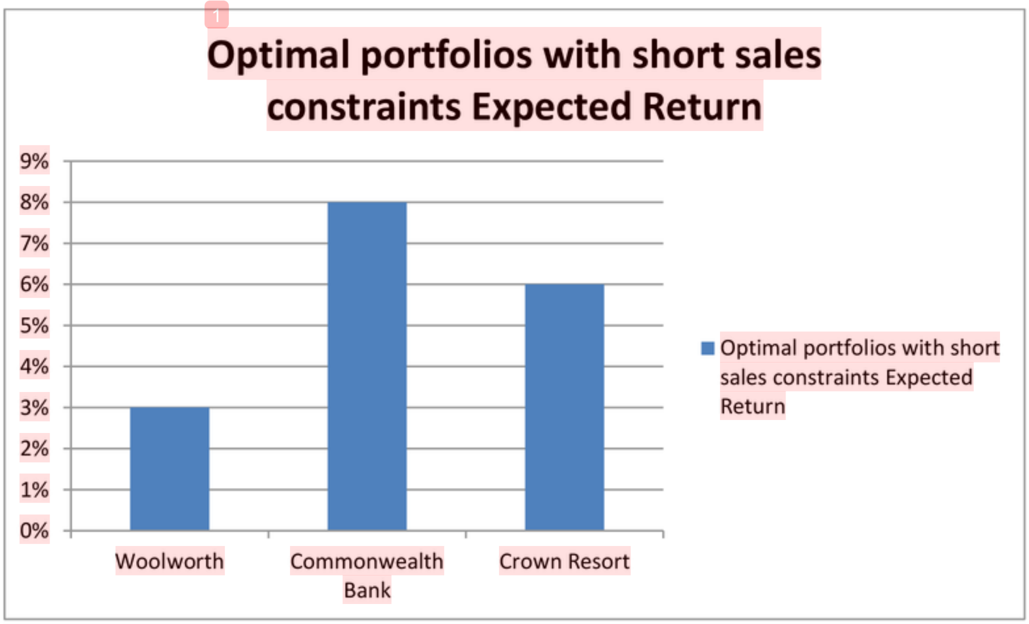


Figure 4: Portfolio Return

Optimal portfolios with short sales constraints	
	Expected Return
Woolworth	3%
Commonwealth Bank	8%
Crown Resort	6%

Data gathering method

The data was gathered from Yohoo.com and therefore, the descriptive method was used to obtain the data. The data was collected from the stock market posted on Yohoo.com Finance database. The data collected are related to opening prices, closing prices and S&P 500 return for the specific period. The opening price of the stock and closing price of the stock between 2002 and 2019 were downloaded from the database of Yoohoo and therefore, it represents the performance of CBA, Woolworth and Crown Plaza. The S&P500 return was based on the specific return registered based on the performance of the companies on the stock market. Therefore, the data are the financial performance of the three companies and the S&P500, which is the market performance.

Data analysis techniques

The data were analyzed using a statistical method where the ANOVA and descriptive analysis was used to analyze the data. Woolworth, CBA and Crown Plaza are used to analyze the portfolio and the market risk of Woolworth to the stock market. Woolworth's performance has been inconsistent and therefore, the purpose of the study is to analyze the effect of Woolworth's performance in the stock market (Peck, Olsen, & Devore, 2014). The data is collected to analyze the stock performance of Woolworth for the last years

References

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