**Assignment #3**

BUS 417-3                                                                                                            25-3
Security Analysis

**Academic Honesty**: This assignment is individual work. Students are required to follow requirements of S10.01 (see class webpage).

**Rules for Submission:** Answers to questions to be typed, single spaced, of <mark>maximum length 1 page</mark> for each of the three sectors (3 pages in total), with 1" margins and type point not less than 12. (This assignment is typed in 12 point). Violations will be subject to deductions. Assignments are to be submitted in Word format to poitras7@sfu.ca, not later than the time for the final exam. Be sure to answer all parts of each question and to check spelling and grammar.

**ESSAY QUESTIONS. 10 pts. each (30 points total)**

The relative value or 'Wall Street' approach to security analysis ignores the importance of calculating an *intrinsic value* and comparing this value to the observed market price to identify if the security is eligible for purchase. Instead, relative value security selection aims to determine the 'best' stock to purchase in a given sector, without evaluating whether securities in the sector are fairly priced. Using this approach, using information from the public filings supplemented by other sources of information, including slides from the presentations webpage, identify the 'best' security from **THREE** different sectors that were examined during the in-class presentations in 25-3. The three sectors to be examined are determined by selecting one sector from a grouping of {Semiconductors or Global Tech or e-commerce}; a second sector from a grouping of {Oil & Gas Midstream or Materials}; and a third sector from a grouping of {REITs or Restaurants}.

 (Hints: Be sure to explain the relative value rationale for each of the stocks selected. Also, exhibits such as financial statements do not count against the word count but to be of use, reference to the exhibits in the writeup is needed.)