Stock Journal for Week 8

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**Tesla Motors Inc. (TSLA)**

The Income Statement will be used to determine changes in total revenue and net income whereas the Balance Sheet will be used to determine changes in assets, liabilities and equity.

In terms of revenue, it was $3,198,356,000 for the year ended December 31, 2014 compared to $2,013,496,000 in 2013 and $413,256,000 in 2012. This shows an increasing trend in the earning capacity of the company with an increment of just over $1.6 billion in 2013 and an increment of about $1.1 billion in 2014.

When it comes to net income, the company experienced a net loss of $294,040,000 in 2014 compared to net losses of $74,014,000 and $396,077,000 in 2013 and 2012 respectively. This is despite recording positive and increasing gross profits over the three-year period. This can be attributed to high and increasing operating expenses such as research and development and selling, general and administrative costs.

Total assets have more than doubled from $2,416,930,000 as at December 31, 2013 to $5,849,251,000 as at December 31, 2014. All the asset categories such as current assets and net book value of property, plant and equipment have increased in value and this has contributed to this massive increment in total asset value.

Total liabilities are $4,879,345,000 as at the end of 2014 compared to $1,749,810,000 as at the end of 2013. This is an increase of over $3 billion and is attributable to all the liability components save for the long-term capital lease obligation which decreased marginally by $588,000 over the two-year period.

Total stockholders’ equity rose from $667,120,000 to $911,710,000 between 2013 and 2014.This is an increase of close to $245 million and is largely due to increments in the additional paid in capital account.

From an investor’s point of view, the increment in revenue signifies a positive change in that it indicates an increase in earning capacity and competitiveness of the car models the company offers, which impacts positively on retained earnings.

However, the net losses which have been high and significant point to the struggles to manage operating costs. If these costs do not add value to the company, then its long-term position will be shaky.

An increase in stockholders’ equity points to value addition to the stock of common shares investors. Additionally, since about $2 million new shares have been added and the equity has increased by $245 million, minimal dilution of shares will be experienced.

Share Price (Current versus Stock Journal)

Current value of TSLA Investment= Current share price \* Outstanding shares

= $232.34 \* 125,687,607

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| Company  TSLA  BAC-PL  Google | Week 8  $232.34  $1,174  $731.09 | Week 3  $240.76  $ $14.56  $707.88 |
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Share Price (Current versus Stock Journal)

= $29 billion

The value of this investment is satisfactory considering TSLA share price ranks high among competitors such as Daimler AG ($67.86) and Toyota Motor Corporation ($105.42) with only Audi ($725.90) having a higher share price.

References

<http://ir.tesla.com/secfiling>

<http://www.google.com/finance?q=NASDAQ>