A2: Assignment #2
Information Competency
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Course: *MGT 360*
Title: *Management and Organizational Behavior* (3 units)

"Without data, you're just another person with an opinion."
---*W. Edwards Deming (1900-1993)*

Goal:
The goal of this assignment is to ensure that you have the requisite skills to acquire and manage information in your professional environment. Information competency is one part of strong management communication.

Instructions:
In general, your task is to answer each of the questions below. In addition to the answer for each question, I want you to write two or three sentences about your general search strategy, analytic approach, or computational formula for that particular section (that is, group of questions). The sentences can describe "what technique you used that was successful", "what technique you used but wasn't successful", "what other technique might be useful", "what technique you would like to try in the future", "how you do this differently at work", "how I learned it in a different class", etc. You might also include technical details, such as the version of the software you used. There should be only one "correct" answer *per se*, but there may be more than one "correct" search path and analytic technique for each question.

Please read the following two documents before attempting to answer the questions.

> `http://www.ala.org/ala/acrl/acrlstandards/standards.pdf`
> `http://www.sec.gov/investor/pubs/begfinstmtguide.htm`

Deliverable:
Your work is due near the end of class, typically the week before the last regular day of class. The exact date is listed on the course outline. Before that due date, there should be enough time in or out of class to go over any questions you may have.

Length:
The length varies considerably depending on what the student wants to say and how the student structures the narrative. My experience has been that most students turn in a report that is between two and four pages.

Performance Measurement:
The scoring rubric for each question on this assignment is two points for each individual question in each section:

2	-	correct
1	-	partially correct
0	-	incorrect

I. Quantitative—small business consulting (6 points)

Issue: A local hot dog vendor near campus sells hot dogs and related items to students and others. The daily sales figures for a recent month are located in an Excel spreadsheet at the following location—`http://ocw.smithw.org/2008spring/hotdogs.xls`.

All answers are to be rounded to two decimal places.

Question 1: Compute the descriptive statistics ("summary") of dollar sales for the hot dog stand. For the purposes of this question, the descriptive statistics are the highest (the "maximum"), the lowest (the "minimum"), the arithmetic mean (the "average" per day), the median (the "middle"), and the standard deviation (use the formula for the "sample" standard deviation, that is, the "n-1" method).

Question 2: What is the average dollar sales for Monday's only?

Question 3: Expressed as a positive (or negative) dollar amount, how much higher (or lower) is Tuesday's average dollar sales as compared to Monday's average dollar sales?

Hint: At a minimum, you'll need to download the spreadsheet file from the web address listed above. If you don't have access to a spreadsheet application, such as MS-Excel, you'll need to work with a student colleague and/or use the COBAE lab in JH2129 to complete this part of the assignment. Alternatively, you could download and install the freely-available, open source spreadsheet application OpenOffice as well.

II. Quantitative—public firm financial statements (12 points)

Issue: Apple (formerly, Apple Computer) is a publicly-traded corporation. As such, Apple is subject to a broad range of accounting and legal obligations with respect to the disclosure of financial information. While it may be possible to find key financial data on Apple's own internal pages, the marketplace typically relies on data obtained at an "arm's length" distance to ensure objectivity, accuracy and impartiality. One of the obligations of a publicly-held firm is to submit financial statements (called "filings") to the Securities and Exchange Commission (SEC) in a specific format. Such filings follow the guidelines of Generally Accepted Accounting Principles (GAAP).

The SEC maintains a web service that provides public access to this reported data. This service is referred to as the Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system.

Question 1: For the three month period ended June 30, 2007, what were Apple's Net Sales (expressed in dollars)?

Question 2: For the three month period ended June 30, 2007, what was the relationship (expressed as a percent) of Gross Margin to Net Sales?

Question 3: For the three month period ended June 30, 2007, what was the relationship (expressed as a percent) of Operating Income to Net Sales?

Question 4: As of June 30, 2007, what was the "Current Ratio"—i.e., the fraction of total current assets divided by total current liabilities (expressed as a decimal)?

Question 5: Between the period ended September 30, 2006 (ignore the word "restated" for the time being) and the period ended June 30, 2007, what was the percent change in Retained Earnings (obviously, expressed as a percent)?

Question 6: Different company; related question. What were the net sales for the 99 Cent Only stores (ignore the "Bargain Wholesale" subsidiary) for the three month period ended September 30, 2007 (expressed in dollars)? (the stock symbol is "NDN" and use the 10-Q for Nov. 8, 2007)

Hint: You can probably find the EDGAR web site using Google. After you search for "Apple Computer" on EDGAR Web page, use the Form "10-Q"—"Q" is short for "quarterly report"). Also, be careful with your millions/billions dollar conversions. Be sure to double-check your analysis (both data and formulas). For some students, working with another classmate may be beneficial.

III.   Qualitative—Peer-Reviewed Literature (4 points)

Issue: Professor Daniel Kahneman won the 2002 Nobel Prize in Economics chiefly for his work in a field of study he and a colleague created entitled "prospect theory". Prospect Theory augments traditional utility theory in Economics by helping to explain how individuals occasionally make less-than-perfectly-rational choices when faced with certain kinds of decisions. His original paper on the subject is:

Kahneman, D., and Tversky, A. (1979) "Prospect theory: An analysis of decisions under risk", *Econometrica*, 47(2), pp. 263-291.

Question 1: What are the first two sentences of the abstract of this seminal paper?

Question 2: Ken Arrow, a Professor of Economics at Stanford, has won the Nobel Prize in Economics as well. Just coincidently, Dr. Arrow and a colleague also have a paper in the same issue of *Econometrica* as the Kahneman and Tversky "Prospect Theory" paper. What is the title of the paper by Arrow and his colleague in that same issue of *Econometrica*?

Hint: For some older, but important papers, an academic journal may reproduce them in a newer issue of the journal. These "recent" issues are available in Library databases such as ABI/Inform. But many older papers, especially before 1986, are often only available online in the CSUN Library database called "JSTOR".

IV.   Qualitative—Non-Peer-Reviewed Literature (4 points)

Issue: Each year, Fortune magazine ranks the 500 largest for-profit organizations in the world. This list is known in the business environment as the "Fortune 500".

Question 1: In descending order of rank, what are the names of the Top 10 largest firms in the Fortune 500 for the year 2007?

Question 2: Compare the Fortune 2007 with the Fortune 1997. What changes, in terms of names of companies or individual rankings, have occurred between those two periods?

Hint: Special articles of current and popular articles are often on one or more web pages. Material from older articles often requires more specific searches, including using Google.

V.   Technological (4 points)

Issue: Gordon Moore is one of the co-founders of the large semiconductor firm Intel. In the mid-1960's, he posited that the number of transistors the semiconductor industry would be able to place on a computer chip would double approximately every eighteen months. This estimate has come to be known as "Moore's Law". It is striking that this estimate has remained relatively consistent for nearly four decades.

Question 1: What is the speed of the computer you are using to complete this assignment?

Hint: On Windows, this information can usually be found by using the "System" icon of the "Control Panel." On MacOS, this information can usually be found by using the "About this Mac" menu choice in the Finder.

Question 2: What the make (manufacturer) and model (type) of the printer you are using to complete this assignment? What is the rated speed in pages per minute (if two numbers are listed, use the most conservative, that is, the smallest, number).

Hint: You may need to look in the manual or online to determine the answer to this question. Asking a more knowledgeable friend can also be helpful.