**EXPOSING & ANALYZING RETURN ON INVESTMENT (ROI)**

**IN CORPORATE FINANCING**

**COLGATE PALMOLIVE Company (C-P)**

**THE CHALLENGE:**

What segment (Operating Division) of C-P deserves further investment based on ROI?

**THE ASSIGNMENT:**

* **Complete the Answer Sheet – Table and Questions**
* **POST THE ANSWER SHEET IN CANVAS IN RESPONSE TO THIS ASSIGNMENT**

Explore the Colgate Palmolive **K-10 2015 Report** to discover these issues:

1. What are names of the two Product Segments that define C-P?
2. Define these data for both segments for the year 2015:
   1. Net Sales Revenue
   2. Operating Income
   3. Identifiable “employed” Assets
3. Compute these Ratios:
   1. Gross Margin (Profit to Sales) Ratio
   2. Sales to Assets Raito
   3. Return on Assets Ratio (Return on Investment (ROI))

**THE PROCESS:**

Access the Colgate Palmolive **K-10 2015 Report** through the SEC’s EDGAR SYSTEM:

CLICK ON THIS LINK (works on a PC):

<https://www.sec.gov/Archives/edgar/data/21665/000162828016011343/cl-12312015x10k.htm>

OR COPY & PASTE THIS ADDRESS IN YOUR BROWSER:

https://www.sec.gov/Archives/edgar/data/21665/000162828016011343/cl-12312015x10k.htm

1. Use the Table of Contents to find the “**Notes to Consolidated Financial Statements**”
2. Scroll down to and explore **Note 15: Segment Information**
3. Find all the data and complete this table:

| **COLGATE-PALMOLIVE COMPANY 2015 DATA** | | |
| --- | --- | --- |
| **2015 DATA** | **SEGMENT # 1** | **SEGMENT #2** |
| **NAME** |  |  |
| **NET SALES** |  |  |
| **OPERATING INCOME** |  |  |
| **IDENTIFIABLE ASSETS** |  |  |
| **PROFIT MARGIN %** |  |  |
| **SALES TO ASSETS RATIO** |  |  |
| **RETURN ON INVESTMENT %** |  |  |

**SAMPLE**

**YOU MUST USE THE SEPARATE WORD DOCUMENT**

**TO POST YOUR ANSWER SHEET IN CANVAS**

**ACCT203 ROI EXERCISE ANSWER SHEET NAME \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

CLICK ON THIS LINK (works on a PC) OR COPY & PASTE THIS ADDRESS IN YOUR BROWSER:

<https://www.sec.gov/Archives/edgar/data/21665/000162828016011343/cl-12312015x10k.htm>

**COMPLETE THIS TABLE WITH THE DATA YOU FOUND AND COMPUTED**

| **COLGATE-PALMOLIVE COMPANY 2015 DATA** | | |
| --- | --- | --- |
| **2015 DATA** | **SEGMENT # 1** | **SEGMENT #2** |
| **NAME** |  |  |
| **NET SALES** |  |  |
| **OPERATING INCOME** |  |  |
| **IDENTIFIABLE ASSETS** |  |  |
| **PROFIT MARGIN %** |  |  |
| **SALES TO ASSETS RATIO** |  |  |
| **RETURN ON INVESTMENT %** |  |  |

**ANSWER THESE QUESTIONS:**

1. Which segment has the highest ROI – Please elaborate on why you think this happened.
2. If you were on top management team at C-P and could only allocate extra funds for Capital Investment expansion into one segment, which segment would you choose and why?
3. EXPLORE the C-P 10-K Report and name three parts of the 10-K Report where you found interesting data and why

|  |  |  |
| --- | --- | --- |
| **10-K SECTION** | **INTERESTING INFORMATION & DATA** | **THIS DATA WAS INTERESTING BECAUSE:** |
|  |  |  |
|  |  |  |
|  |  |  |

**IMPORTANT**

* **MAKE SURE THAT YOU ENTERED YOUR NAME ON THE TOP OF THIS FORM**
* **SAVE THIS WORD DOCUMENT AS:**

**ACCT203 ROI ANSWER SHEET NAME.docx**

**where “NAME” is your last name, i.e., SMITH**

* **POST THIS WORD DOCUMENT AS A RESPONSE TO THE CANVAS ASSIGNMENT**

***FOLLOW SCREEN SHOTS - COLGATE PALMOLIVE K-10 2015 Report***

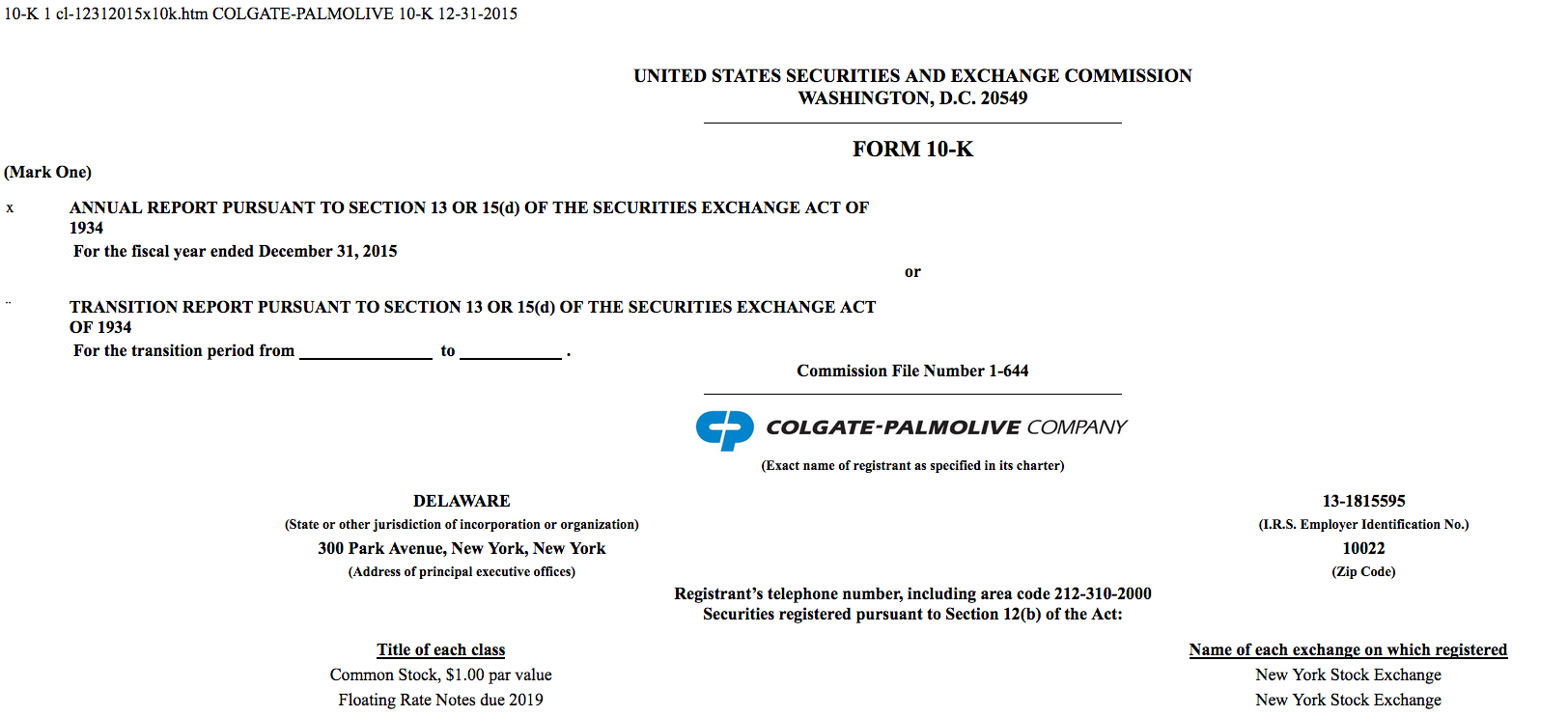
Click on this Hotlink

[ACCESS COLGATE-PALMOLIVE DATA - GO TO "NOTES" & FIND NOTE 15: SEGMENT INFORMATION](https://www.sec.gov/Archives/edgar/data/21665/000162828016011343/cl-12312015x10k.htm)

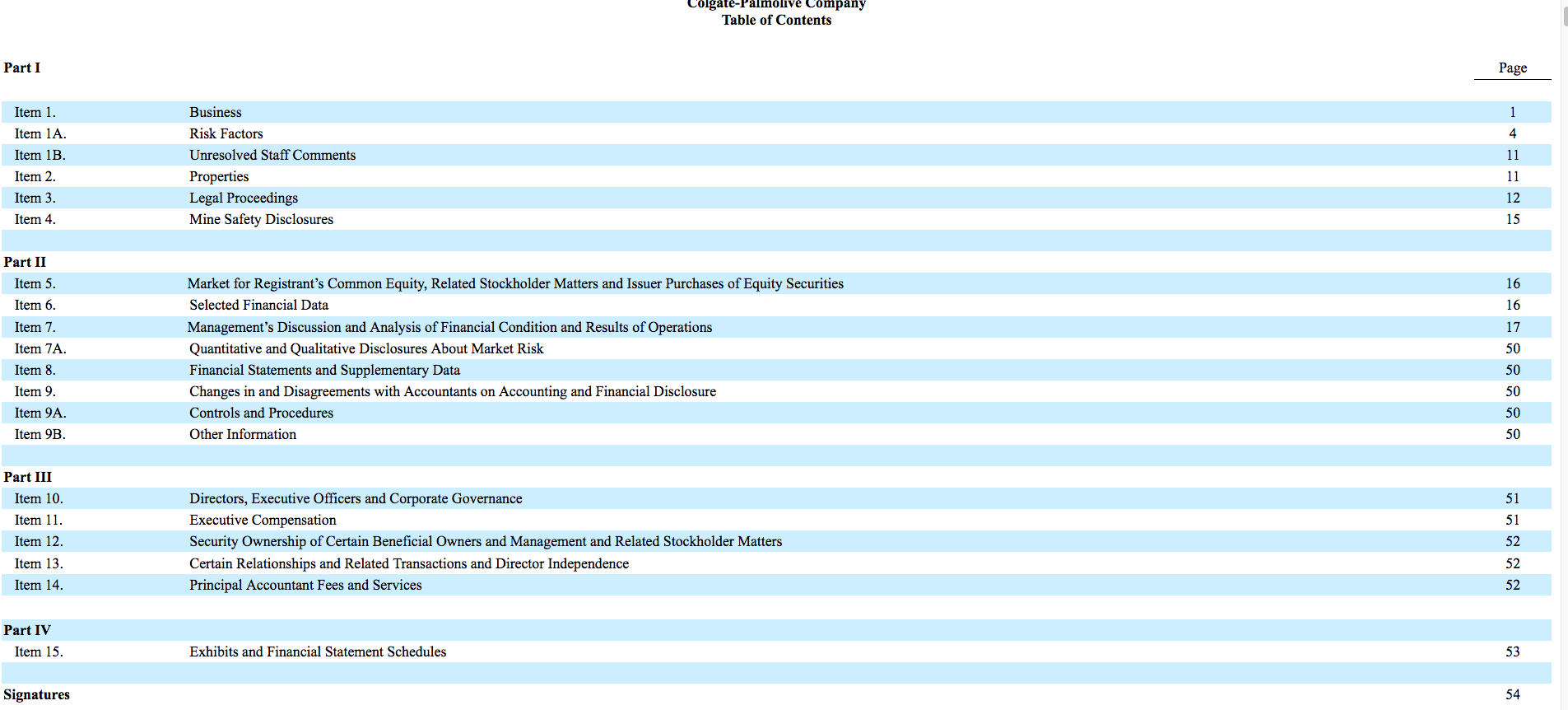
OR COPY & PASTE THIS ADDRESS IN YOUR BROWSER:

https://www.sec.gov/Archives/edgar/data/21665/000162828016011343/cl-12312015x10k.htm

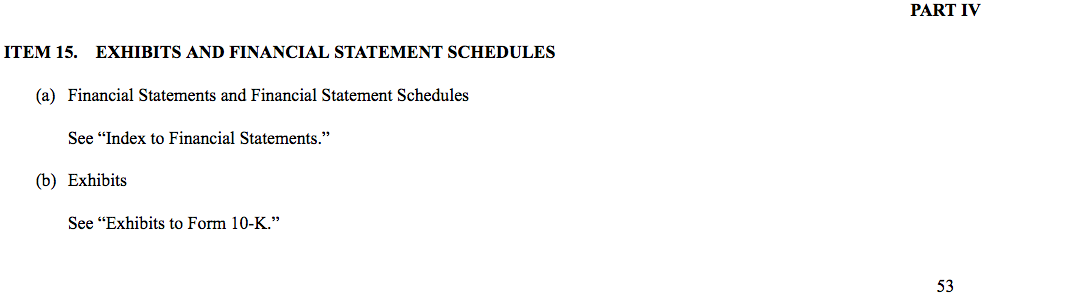
***OPENING PAGE OF THE COLGATE PALMOLIVE K-10 2015 Report***



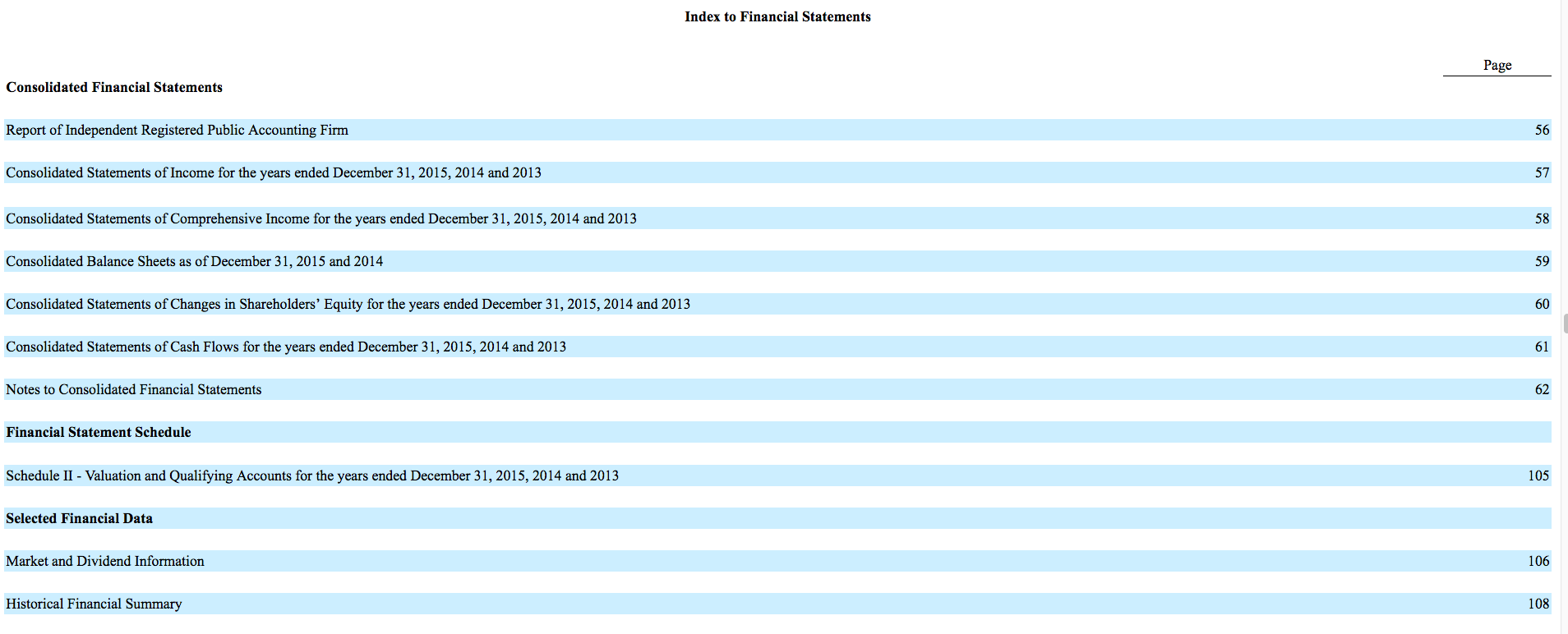
***SCROLL DOWN TO THE “TABLE OF CONTENTS”:***



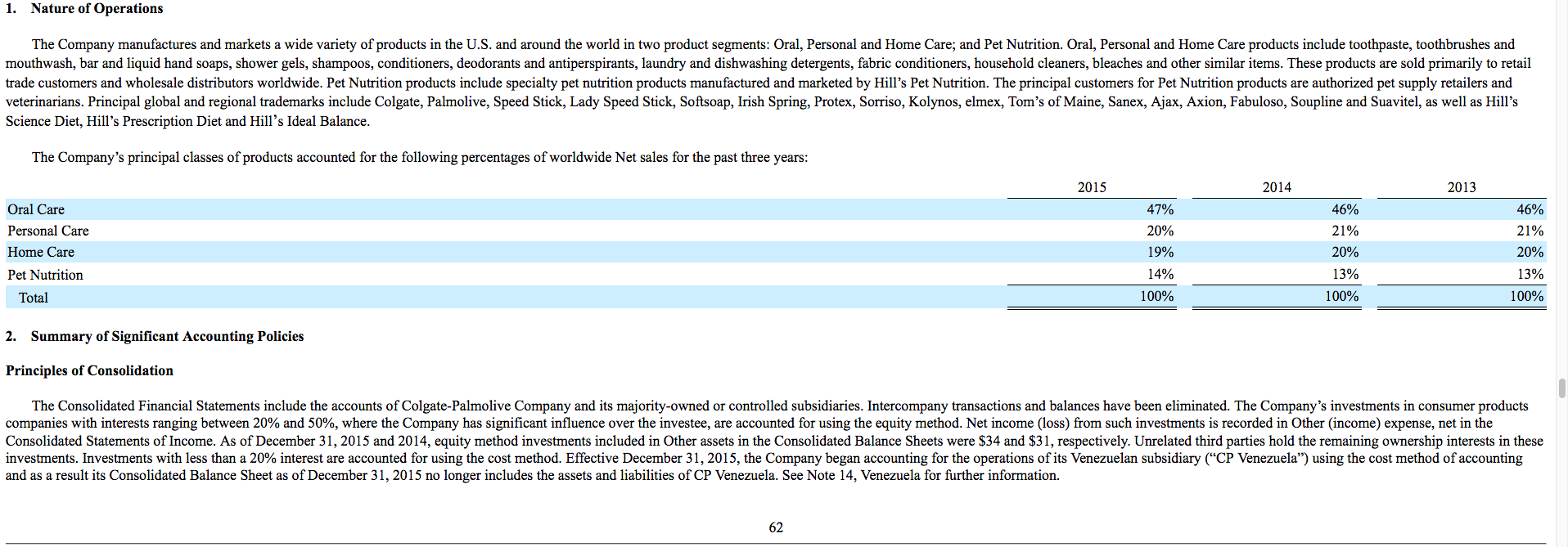
***CLICK ON “PAGE 53” AND SCROLL DOWN TO “ITEM 15”:***



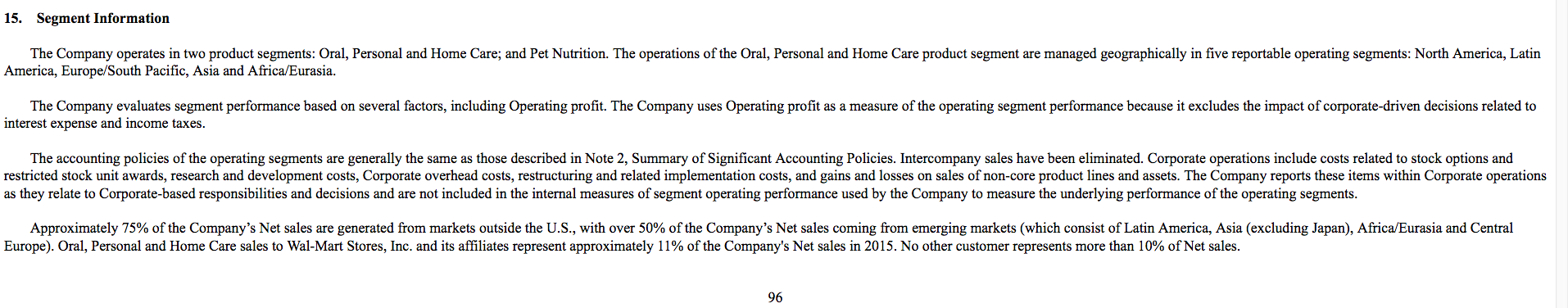
***SCROLL DOWN TO THE “INDEX TO FINANCIAL STATEMENTS”***



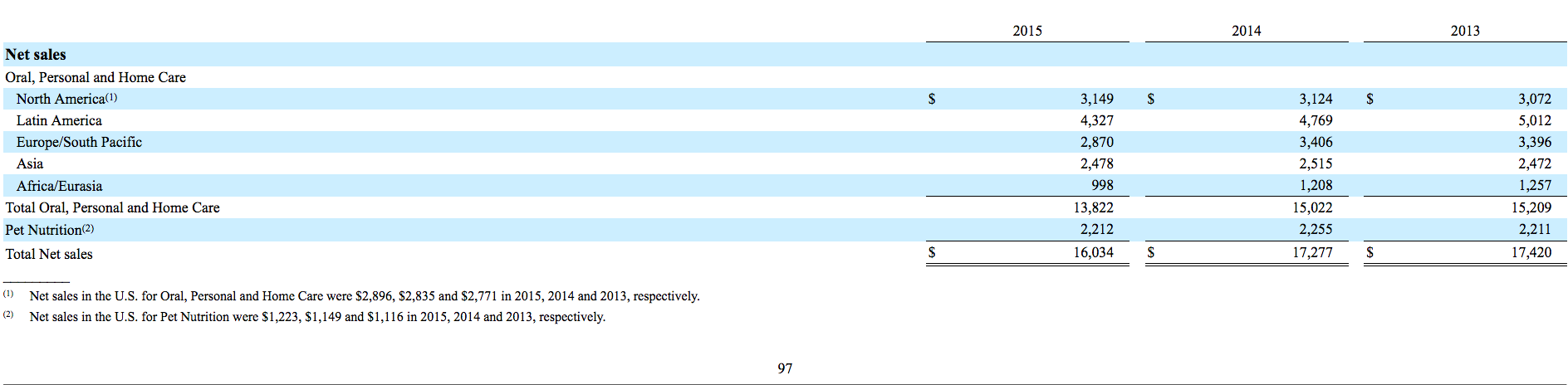
***CLICK ON “NOTES TO CONSOLIDATED STATEMENTS”***



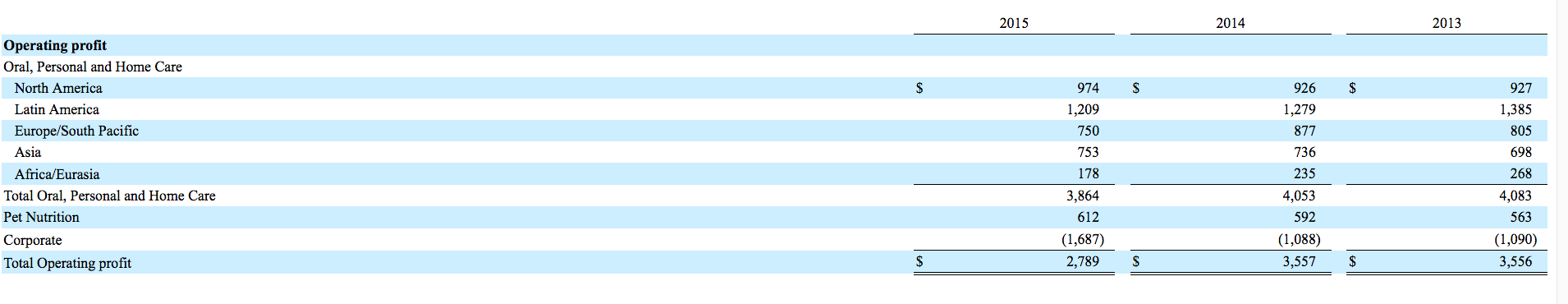
***SCROLL DOWN TO NOTE 15 (Page 96):***



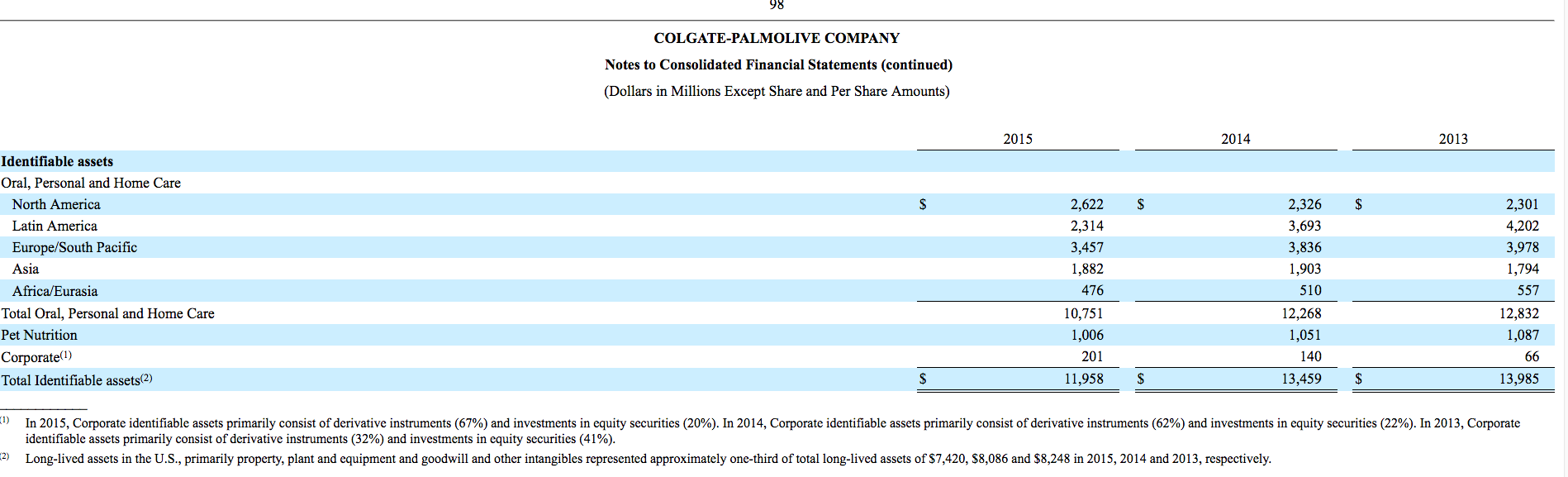
***SCROLL DOWN TO SALES DATA (Page 97):***



***SCROLL DOWN TO PROFIT DATA (Page 98):***



***SCROLL DOWN TO IDENTIFIABLE ASSETS DATA (Page 99):***



***SCROLL DOWN FURTHER AND REVEAL THEIR STOCK PRICE HISTORY (Page 107)***

