

**DePaul University**  
**Finance 524 - Professor Larry A. Lonis, CFA**  
**Company: General Dynamics**

REPORT SECTIONS	Research Analysis Spreadsheet / Template	Data Source / Date / Location	Comments / Team Member Assignment
<b>BUSINESS DESCRIPTION = 5PPTS</b>			
<ul style="list-style-type: none"> <li>Products / services offered</li> <li>Segment description</li> <li>Business model drivers (rev growth ; margins)</li> <li>History</li> <li>Current Issues to be aware of</li> </ul>		10Q /10K /COMPANY WEBSITE / CONF CALL TRANSCRIPTS	
<b>INDUSTRY OVERVIEW &amp; COMPETITIVE POSITIONING = 15PPTS</b>			
<ul style="list-style-type: none"> <li>Industry dynamics: growth drivers, key competitors</li> <li>Market share</li> <li>Key industry issues</li> <li>Competitor comps: revenue growth; margins; valuation; stock performance</li> <li>Financial ratio analysis vs. comps</li> <li>SWOT</li> <li>Porter's 5 Forces</li> <li>Relevant macro data</li> <li>Relevant demographic data</li> </ul>			
<b>INVESTMENT SUMMARY = 20PPTS</b>			
<ul style="list-style-type: none"> <li>Key catalysts for the stock</li> <li>Key growth / profit drivers</li> <li>Significant recent developments</li> <li>Significant risks to recommendation</li> <li>Valuation summary / price target</li> </ul>			
<b>FINANCIAL ANALYSIS = 20PPTS</b>			
<ul style="list-style-type: none"> <li>Historical financial performance: income statement / bal sheet / free cash flow</li> <li>Forecast: income statement / bal sheet / free cash flow</li> <li>Management's strategic initiatives</li> <li>Growth drivers</li> <li>Profit drivers</li> <li>Consensus</li> <li>Financial Ratio analysis</li> <li>Segment analysis / forecast</li> </ul>		10Q /10K /COMPANY WEBSITE / CONF CALL TRANSCRIPTS	
<b>VALUATION = 20PPTS</b>			
<ul style="list-style-type: none"> <li>PE Comps / vs. Historical / vs. Competitors</li> <li>DCF</li> <li>Scenario / bull / bear case</li> <li>Sum of the Parts (SOTP)</li> <li>Beneish M Score</li> <li>DDM</li> </ul>			

**DePaul University**  
**Finance 524 - Professor Larry A. Lonis, CFA**  
**Company: General Dynamics**

REPORT SECTIONS	Research Analysis Spreadsheet / Template	Data Source / Date / Location	Comments / Team Member Assignment
FCFF / FCFE			
<b>INVESTMENT RISKS = 15PPTS</b>		10Q / 10K	
Macro risks Market risks Industry risks Company risks Balance sheet risks Forecast risks Operational risks			
<b>CORPORATE GOVERNANCE = 5PPTS</b>		10Q / 10K / PROXY / ISS / SASB	
Board of Directors: Independence; tenure; diversity Strategic Initiatives Capital allocation: dividends / buybacks / M+A Controlling shareholders Differences in share classes Executive Pay			
<b>SUPPORTING ANALYSIS</b>			
<b>FINANCIAL RATIOS</b>			
Profitability Ratios Valuation Ratios Per Share Ratios Asset Turnover Analysis Ratios DuPont Analysis Operating Efficiency Ratios Operating Cycle (Days) Liquidity Ratios Coverage Ratios Leverage Ratios			
<b>Accounting Policies</b>			
Accounting Estimates  Goodwill  Sales Recognition Product Warranties  Cost of Sales  Accounting Standards			

**DePaul University**  
**Finance 524 - Professor Larry A. Lonis, CFA**  
**Company: General Dynamics**

REPORT SECTIONS	Research Analysis Spreadsheet / Template	Data Source / Date / Location	Comments / Team Member Assignment
Summary of Significant Accounting Policies			
Translation of Foreign Currency			
Selected Financial Data			
Controls and Procedures			
Financial Summary - Key Metrics			
Critical Accounting Estimates			
Accrual Ratio and Accrual Ratio Cash Flow			
- Accrual Ratio Guidance 8-15-15			
Beneish M-Score Model			
- Analyzing Earnings Quality as a Financial Forensic Tool - Warshavsky			
<b>Accounting Adjustments</b>			
GAAP VS NONGAAP		COMPANY QUARTERLY REPORTS	
Cost of debt and Contractual Obligations			
Notes Payable and Long-term Debt			
Commitments and Contingencies			
- Long-term leases (and off-balance-sheet items)			
- Environmental Matters			
- Financing Arrangements and Other			
- Product Warranty			
- Risk Factors			
- Legal Proceedings			
Inventories			
<b>Company Analysis</b>			
- Segment - Sales by geography and / or product line		10Q /10K /COMPANY WEBSITE / CONF CALL TRANSCRIPTS	
- Domestic vs. International			
- Backlog Analysis			
- Per employee sales, assets, and earnings			
- Labor Intensity			
- Capital Intensity			
- Capital Expenditure History			
Fixed Asset Analysis - Property plant & Equipment Properties			
Producer Price Index Finished Goods Less Food & Energy 2006 - 2016			

**DePaul University**  
**Finance 524 - Professor Larry A. Lonis, CFA**  
**Company: General Dynamics**

REPORT SECTIONS	Research Analysis Spreadsheet / Template	Data Source / Date / Location	Comments / Team Member Assignment
Long-lived Assets and Goodwill Asset Impairment			
Impairment of Goodwill and Long-Lived assets			
Foreign Currency			
Federal and Foreign Taxes			
Income Taxes			
Pension Costs Pension and Other Employee Benefits			
Pension Costs			
Statement of Cash Flow Discussion			
<b>Return on Asset Analysis by Segment</b>			
Acquisitions			
Discontinued Operations			
Business Segment Reporting			
- Aerospace			
- Combat systems			
- Marine Systems			
- Information Systems & Technology			
- Net Sales by Customer Category			
- Products			
- Services			
Backlog (reported with each segment discussion)			
- Aerospace			
- Combat systems			
- Marine Systems			
- Information Systems & Technology			
Risk Factors			
Segment Reporting & Backlog Analysis			
International Considerations			
Foreign Currency Financial Statement Translation			
MD&A - Industry Considerations			
- Strategy and Opportunities			
- Markets			
- International Growth			

**DePaul University**  
**Finance 524 - Professor Larry A. Lonis, CFA**  
**Company: General Dynamics**

<b>REPORT SECTIONS</b>	<b>Research Analysis Spreadsheet / Template</b>	<b>Data Source / Date / Location</b>	<b>Comments / Team Member Assignment</b>
Quarterly Operating Results (Unaudited)			
<b>Z-Score for Predicting Bankruptcy</b>			
<b>Return on Equity Analysis</b>		DUPONT MODEL	
<b>Stock Valuation</b>			
Other Comprehensive Income			
Accumulated Other Comprehensive Loss			