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Faculty of Economics and Management
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Bachelor Thesis
Economic Analysis of Apple Inc. Stock

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1. Introduction

Apple is one of the largest names in tech nowadays, and it is almost impossible to not see a person who does not have an Apple product. From people in the metro with an iPhone in their hand, to a café where people are reading the news from an iPad, to students working on homework assignments on a MacBook at a university library. People are obsessed with Apple devices. Apple has taken the world by storm and more and more consumers are making Apple products their go-to devices. Why is this and what are the economical aspects of this major corporation?

This bachelor thesis is going to help the reader become more informed about the company's economic side, specifically about its stock as well as learn some important information about the economics around stock. Also, the reader is going to be given information in the analytical section and hopefully become convinced on whether or not to invest in Apple. Ideally, these conclusions by the reader will be consistent with the author's conclusions.

2. Keywords

Apple, corporation, technology, analysis, innovation, market, competition, stock, investment, revenues

3. Objectives of Thesis

The theoretical part of this thesis introduces the concept of Apple's company. Also it introduces general concepts of stocks and factors of its profitability and price by evaluating the efficiency market position of the company and industry factors that affect the position as well as the short and long run economic factors determining competitiveness Apple's production. The objective of analytical part is to analyze if Apple was a good investment in past and if Apple currently is a good investment.

4. Methodology

Initially, in the theoretical part definitions and concepts were explained to give the reader a better understanding of the company as well as the economics behind it and its stock. Accordingly, principles of stock and influencing factors on the stock price and profitability of stock, with examples of stock markets given, as well as basic concepts and general historical information of Apple Inc. and influencing factors that make Apple valuable.

In the analytical part, methodology consists the objective being evaluated by fundamental and technical analysis methods. This part of the analysis will be show data over a period of time, for visualization of the results.

5. Main Findings

Apple Inc. attracts both consumers as well as investors. This was proven when the corporation's market capitalization was analyzed, because it was found that in the beginning of 2015, when Apple stock increased to 122 dollars per share and Apple's market capitalization level reached 710 billion dollars – it was the largest closing value ever among corporations.

Results of the conducted analysis of whether or not Apple Inc. was a good investment in past suggested that it depends almost solely on when the stock was purchased and when it was sold. If the investor invested in the early stages of the company and held the stock for a long time (for example until the early 2000s), then the investor would make a huge profit, which means it was a good investment. However, if the investor was a short-term investor and sold stock within a few years, it can be concluded he did not make money because of the extremely large fluctuations between the companies rises and falls.

The results of the analysis of whether or not Apple Inc. is a good investment currently lead to a set of criteria that should be met to better determine an accurate conclusion. This criteria was an analysis of the following: the Chief Executive Officer (CEO), the business model, revenue, net income, profit margin, the debt to equity ratio, and price to earnings ratio. After these criteria were analyzed, it was found that out of 7 criteria, 5 were concluded in Apple being a good choice as an investment currently and only 2 were concluded not. Therefore, we can conclude that because more said it was a good investment, it is currently a good investment.

6. Conclusion

This bachelor thesis should have assisted the reader in becoming more informed about the topical issue of Apple Stock, specifically about its stock as well as learn important information about the economics and concepts that are connected with stock. Also, the reader was given information in the analytical section and hopefully became convinced on whether or not to invest in Apple. Ideally, these conclusions by the reader were be consistent with the author's conclusions.

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