Financial Statement Analysis

Institution Affiliation

Date

Among Americas largest company is Apple which is a company that specializes in the production of computers and mobile hardware for its customers. The company also offers other services and products but markets them as expensive but very stylish. This was ranked as the most profitable company in the whole world in the year 2015. On the other hand AT&T is an American multinational that deals in the telecommunication industry. It is ranked to be the second largest provider of mobile services in America and it is also the largest provider of broadband services in America. It is the 16th largest non oil company and has more that 130 million subscribers globally.

**Financial opportunities present**

It is notable that both companies present a large opportunity with regards to the issue of finances. Both companies can be considered to be doing big businesses and they have a lot of cash flow annually and so they are both good with regard of leading money to. However, there are several things that make AT&T better client to lead money to than Apple. The first and most vital thing is that AT&T has a superior debt to asset ratio than Apple. It is notable that apple is among the companies that have large debts already and this means that they may straggle with payment if more is taken.

As for AT&T, the debts they have are less than half their assets and this means that they are still in a position to take more debt while at the same time they will still pay comfortably. From a banks perspective, it is notable that I am likely to lead money to a person that proves to be less risky in terms of paying back (Haslam, Tsitsianis, Andersson and Yin, 2013). This is the basis on which I would make my decision to lead money to AT&T and not apple. Despite apple having more money, they are more likely to default the payments because they have more debts they are paying.

**Investment opportunity**

When it comes to making investment, it is common that the scale that is used to measure the amount of investment to be given is the expected returns. As an investor, I am looking to invest in a place where return on capital is high and there are also low risks of the business suffering financially (Wilson and Campbell, 2016). With this regards, it is most recognizable that Apple has a higher return on investments than AT&T and this makes it the better investment opportunity. If I was to make my investment solely on this scale, I would chose Apple but in this case, I would chose AT&T because of other factors that make the company better.

The telecommunication giant has many more assets when compared to Apple and this means that the company has a very large value in general. The company also has few liabilities than apple and this makes the company to be worth more than apple. In spite of the way that the return on investment is lower than that of apple, the organization has less money related dangers. This is because apple depends on the sale of the different products to the global community for the success of its finances. However, AT&T has more than 130 million subscribers globally and this promises a more stable flow of finances to the company. This makes it more ideal to invest my $100,000 in for long term success.

**Employment opportunity**

With regards to employment, an employee is likely to look for a long term employer who will make it possible to for the employee to successes. Both companies are very good employers and are among companies that have more than 100,000 employees globally. But between the two, I would choose AT&T over Apple because of several reasons. With regards to the financials, it is notable that apple is seen to be less stable than AT&T. In the case of a global slowdown in the economy, Apple is likely to be more affected than AT&T because they are involved in selling good to the public. This is likely to result in retrenchment which would see the company being able to let go of some employees. AT&T on the other hand looks more stable because it offers services to subscribers and this may means that it financials are not affected hence continued growth.

All in all, both companies offer large opportunities on the three scales analyzed above but AT&T seems to be a better option because it is likely to have safer investment option as well as a better employer. I would therefore choose AT&T over apple on all the three scales of comparison.

References

Wilson, J. P., & Campbell, L. (2016). Financial functional analysis: a conceptual framework for understanding the changing financial system.*Journal of Economic Methodology*, 1-19.

Haslam, C., Tsitsianis, N., Andersson, T., & Yin, Y. P. (2013, December). Apple's financial success: The precariousness of power exercised in global value chains. In *Accounting Forum* (Vol. 37, No. 4, pp. 268-279). Elsevier.