

Group project guidelines

General guidelines

- You should form groups between 4 and 6 members. All group members must be in the same seminar group.
- Each group member picks a company included in the FTSE100 index, writes a short description of that company and analyses the share price data for that company.
- Group project report has a minimum of 2000 words and a maximum of 750 words per group member. Graphs, tables, references and appendices are not included in the word count.
- Assignment submission date: 14/12/2017 electronically via Turnitin
- Point of the exercise: For you to demonstrate you can contextualise numbers. Show you can use regression, correlation, sig figs, t-ratios, indices etc.

Structure of the report

- The Group project report document will have a main element and an (optional) appendix. The appendix could hold the regression results and additional graphs.
- The main part should start with a brief introduction followed by short descriptions of the companies (what they do, the sector they are in, maybe report the HHI of the industry, any other information or news potential investors might be interested in).
- Next is the statistical analysis that shows the performance of those companies and a composite portfolio. Essential elements of the statistical analysis are: a table with descriptive statistics (sample size, mean, standard deviation), graphs that show the pattern of share price movement, a correlation table, and one regression for each of the companies, where the return on the individual company is the dependent variable and the return on the composite is the independent variable. (Bring the SPSS regression output for one of these regressions to test 2!)
Interpret your results: What do these numbers mean? Are the results significant?
- In addition to that, you can also run regressions with the individual company as the dependent variable and the return on the FTSE 100 as the independent variable. This is the famous CAPM model that is widely used in finance. (This is not essential.)
- The main part concludes with a short summary. Which companies do you recommend to investors? How does the composite portfolio perform? Speculate how the firms will perform in the future?