

COMPUSTAT HOMEWORK

This homework assignment lets you practice using Lexis Nexus® and the Compustat industrial data base. Before working on this assignment, you should be thoroughly familiar with the Instructions for Compustat Usage that can be downloaded from the Department's web pages (note that a pdf file is also available). Your starting point for information from the Department's pages is:

<http://www.wooster.edu/economics/archive/data.html>

Step I: In addition to the numbered data items, Compustat can be instructed to print out several pieces of alphanumeric information. Items of this type that are typically used in Economics and Business research include, company names, industry names and industry numbers (four-digit SIC codes), and footnotes to financial statements.

Industry (SIC) codes designate the basic type of industry (agricultural, industrial, financial, etc.) by their first digit. The codes for industrial firms begin with 2 or 3, i.e., 2000 to 3999.

Connect to the Department of Economics web page and look at the list of names in the Compustat file. Scroll through the list and choose any two that are of interest to you.

Step II: Using your web browser, connect to Lexis Nexus and click on the Business → “Company Financial Reports” links. Search for each of the firms that you selected. If a firm is not available in Lexis Nexus, select an alternative from your Compustat list. For each firm, use the Companies Disclosure Reports to look up the firm's financial data for the last five years. Find two variables of interest to you: earnings, number of employees, sales (revenue), for example for the year that you selected. Print out the page from the report and circle the information that you selected.

Step III: Examine the list of Compustat **data items** from the Department's web page. Examine the list and find the numbers that correspond to the items that seem to represent the information that you found in the Lexis Nexus report.

Run Compustat and look at the data items that you obtain in the output file. Are they the same as the ones in Lexis Nexus? If so, print out this file and attach it to the printout from Lexis Nexus. If not, print out the file and discuss why do you think they are not the same?

You can print out data from Compustat copying and pasting it into EXCEL or Microsoft Word, and then printing from there.