

Company Survey Caterpillar Inc.

Instructions: The Part 6 Company Survey contains five sections: Company Capsule, Financial Data, Company Culture, Investor Info, and In the News. Complete the questions and activities for each section as you study Part 6 of the textbook. Each section offers specific instructions and research tips.

Company Capsule

Instructions: Fill in the following chart with information about Caterpillar. Use the Caterpillar Web site (www.caterpillar.com) and Hoover’s Online (www.hoovers.com) to locate this basic company data.

Research Tips: Use the “About Cat” link on the Caterpillar Web site to locate basic company data. On the Hoover’s Online site, use the “Companies & Industries” link and then search for Caterpillar using the **Search** function.

Corporate Headquarters Address:	
Phone:	
Number of U.S. Manufacturing Plants	
Number of Employees	
Current CEO	
Business Products & Services	
Three Principal Lines of Business	
Top Competitors (list three)	
Fiscal Year End	
Briefly Summarize the Caterpillar Mission Statement	

Financial Data

Instructions: Answer the following questions about Caterpillar financial data.

Research Tips: Use the 2001 Caterpillar Annual Report and the Caterpillar Web site to answer the following questions.

1. How many shares of common stock were authorized by Caterpillar as of December 31, 2001? How many shares have been issued?
2. What amount of long-term deferred income tax was reported for the fiscal year ended December 31, 2001? What journal entry was made to record this liability?
3. Does the company report treasury stock as part of its stockholders' equity accounts? If so, what is the amount of treasury stock reported? Does this amount increase or decrease total stockholders' equity?
4. Caterpillar Inc. is organized as a corporation. Describe the advantages to the corporate form of business and discuss why a company might choose this form over a partnership form of business.
5. What is the per share par value of Caterpillar common stock?
6. Are stock option commitments reflected in the calculations on the Statement of Stockholders' Equity? How are stock options addressed in the 2001 Annual Report? Do you think this disclosure adequately informs investors about the impact of stock options on the financial condition of the company?
7. What percentage of consolidated profit was deducted as income tax provision in 2001?
8. Based on the account classifications found on the Condensed Financial Position, what types of adjusting entries do you think were required at year-end?
9. Does Caterpillar's 2001 Annual Report reflect bonds payable as a part of total long-term debt? If Caterpillar issued \$50,000 of 10% bonds at 103.5, how would the entry be recorded?

Company Culture

Instructions: Answer the following questions related to Caterpillar's commitment to preserving the environment.

Research Tips: Use the 2001 Annual Report and the "Social Responsibility" link in the "About Cat" section of the Caterpillar Web site to perform research for these questions.

1. By what percentage did the number of worldwide Caterpillar employees increase from 2000 to 2001?

2. What is the Caterpillar Foundation and what total contributions were provided by the Foundation in 2000?
3. List the values and standards outlined in the Caterpillar Code of Worldwide Business Conduct. How do you think adherence to these values helps promote trust with vendors, customers, and investors?

Investor Info

Instructions: Answer the following questions about investment options in Caterpillar.

Research Tips: Use the “Historical Performance,” “Stock Quote,” and “Financials” links in the “About Cat” section of the Caterpillar Web site to find the answers to the following questions.

1. How many stockholders of record were reported at the end of 2001?
2. What was the high common stock price during 2001? What was the low common stock price?
3. What total dividends were paid in 2001? What entry was made in the accounting records upon declaration of this dividend? When the dividend was paid, what entry was made?
4. What per share dividends were declared in 2001?
5. What capital stock transaction occurred on June 4, 1964? Did investors realize any income from this transaction? What type of entry would have been recorded in the accounting records?

In the News

Instructions: Select a topic from the list provided below and research recent news stories involving Caterpillar Inc. Research can be performed on Yahoo News (story.news.yahoo.com) or CNN Money (money.cnn.com).

- Stock prices
- Dividends declaration
- Capital expansion
- Income taxation
- Pollution standards compliance

Write a half-page synopsis of the article and include your thoughts on factors that should be considered by the financial staff of the company in regard to this story.