

Company Survey International Truck and Engine Corporation

Instructions: The Part 7 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 7 of the textbook. Each section offers specific instructions and research tips.

Company Capsule

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

Research Tips: Note that International Truck and Engine Corporation’s holding company is called Navistar International Corporation and trades on the stock market under that name. You will find the two names used interchangeably on the Web site. Use the “Careers” section on the International Truck and Engine Web site to locate basic company data. On the Hoover’s Online site, use the “Companies & Industries” link and then search for International Truck and Engine using the **Search** function.

Company Founder	
Year Founded	
Products & Services	
Major Countries of Operations	
Current CEO	
Number of Employees	
Top Competitors (list three)	
Fiscal Year End	
2001 Sales	
Number of Dealer Outlets in the U.S.	

Financial Data

Instructions: Answer the following questions about International Truck and Engine financial data.

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

1. Prepare a vertical analysis of the 2001 Statement of Income.
2. Perform a horizontal analysis of sales of manufactured products figures in 2001 and 2000.
3. What was the rate of return on sales for 2001? In 2000?
4. In the letter to shareholders, what reason is given for the net loss of 2001?
5. What amount of cash was provided by operations for the company in 2001? By investing activities? By financing activities?
6. List two types of adjustments that appear on the cash flows statement that do not involve an actual cash outflow or inflow.
7. Does International Truck and Engine use the indirect or direct method for preparation of the statement of cash flows? Explain your answer.
8. Review the 2001 Statement of Income with particular attention on the 2000 and 1999 figures. Which line items had the most impact on lowering net income in 2000?

Company Culture

Instructions: Answer the following questions related to International Truck and Engine's commitment to preserving work values and environment.

Research Tips: Use the "Careers" section of the International Truck and Engine Web site to perform research for these questions.

1. Describe the seven primary performance goals for International Truck and Engine employees.
2. What is the FMD Program? What is its purpose? Describe why you think a program of this type can be beneficial to both the employee and the company.
3. What types of products did the company manufacture during World War II?
4. What was the company name prior to 1986?

5. What awards were given to the company in 1999?

Investor Info

Instructions: Answer the following questions about investment options in International Truck and Engine.

Research Tips: Use the “Investor Info” section of the International Truck and Engine Web site to find the answers to the following questions.

1. What is the current price for Navistar common stock? What was the 52-week high? The 52-week low?
2. Which stock exchange is Navistar International traded on? Under what symbol?
3. Is the company currently paying dividends? If not, what reason is given?
4. As an investor, would you be interested in this stock as an investment at its present market value. Compute the price-earnings ratio.

In the News

Instructions: Research the current conditions of the big truck industry, sometimes called the Class 8 industry. Use Web sites like Forbes (www.forbes.com), Truckers News (www.etrucker.com), or Hoover’s Online (www.hoovers.com) to perform your research.

Describe recent trends in manufacturing, sales, and plant operations for Class 8 companies like Navistar International, DaimlerChrysler, and PACCAR. What factors are responsible for these trends? What innovations are in development in this industry?