

# International Management Studies

Class 5

October 2, 2025

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- I. Macro Global Issues
- II. What is the most promising stock over the next five years ?  
(presentation by team)
- III. Top-down Approach

I. II. What is the most promising stock over the next five years ? (presentation by team)

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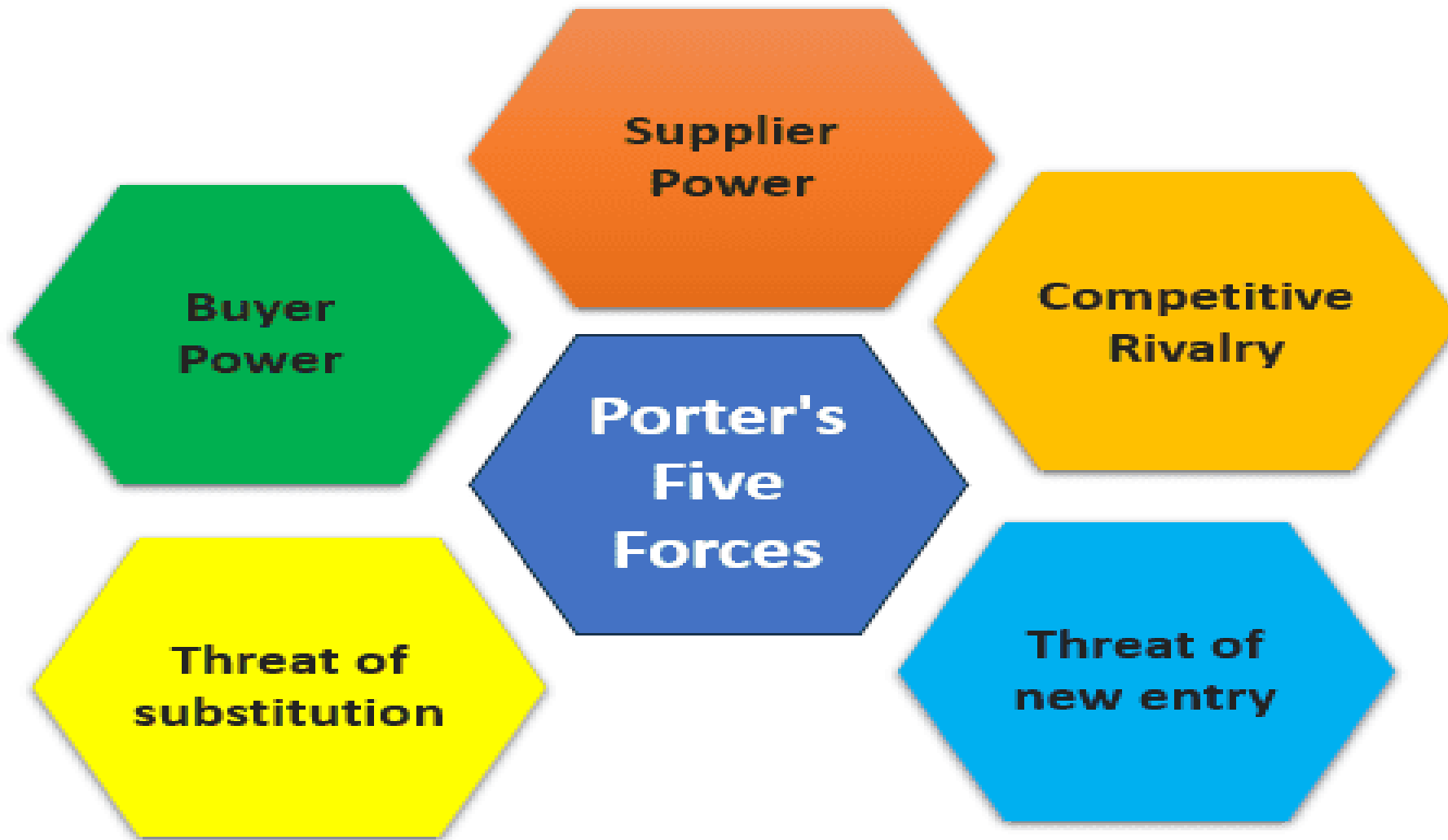
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# III. Top-down Approach

1. Macro Environments
2. Industry Analysis (M. Porter's Five Competitive Forces)
3. Company Analysis (Analysis of Financial Statements)



**RIVALRY AMONG  
EXISTING COMPETITORS:**

- Number of competitors
- Diversity of competitors
- Industry concentration
- Industry growth
- Quality differences
- Brand loyalty
- Barriers to exit
- Switching costs

**THREAT OF NEW  
ENTRANTS**

**THREAT OF NEW ENTRANTS:**

- Barriers to entry
- Economies of scale
- Brand loyalty
- Capital requirements
- Cumulative experience
- Government policies
- Access to distribution channels
- Switching costs

**BARGAINING  
POWER OF  
SUPPLIERS**

**RIVALRY  
AMONG  
EXISTING  
COMPETITORS**

**BARGAINING  
POWER OF  
BUYERS**

**BARGAINING POWER OF SUPPLIERS:**

- Number and size of suppliers
- Uniqueness of each supplier's product
- Focal company's ability to substitute

**THREAT OF SUBSTITUTE PRODUCTS:**

- Number of substitute products available
- Buyer propensity to substitute
- Relative price performance of substitute
- Perceived level of product differentiation
- Switching costs

**THREAT OF  
SUBSTITUTE  
PRODUCTS**

**BARGAINING POWER OF BUYERS:**

- Number of customers
- Size of each customer order
- Differences between competitors
- Price sensitivity
- Buyer's ability to substitute
- Buyer's information availability
- Switching costs

## Financial Statements



## 4 types of financial statements

Type	Description	Example
Balance sheet	What a company owns and owes	Assets, liabilities
Income statement	Business activities	Revenue, expenses
Cash flow statement	Where cash is going	Operating cash flow
Statement of owner's equity	Changes in shareholder's equity	Owner's contributions



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## Part I. Financial Information

### Item 1. Financial Statements (Unaudited)

**NVIDIA Corporation and Subsidiaries**  
**Condensed Consolidated Statements of Income**  
(In millions, except per share data)  
(Unaudited)

	Three Months Ended			
	Jul 27, 2025		Jul 28, 2024	
Revenue	\$	46,743	\$	30,040
Cost of revenue		12,890		7,466
Gross profit		33,853		22,574
Operating expenses				
Research and development		4,291		3,090
Sales, general and administrative		1,122		842
Total operating expenses		5,413		3,932
Operating income		28,440		18,642
Interest income		592		444
Interest expense		(62)		(61)
Other income (expense), net		2,236		189
Total other income (expense), net		2,766		572
Income before income tax		31,206		19,214
Income tax expense		4,784		2,615
Net income	\$	26,422	\$	16,599
Net income per share:				
Basic	\$	1.08	\$	0.68
Diluted	\$	1.08	\$	0.67
Weighted average shares used in per share computation:				
Basic		24,366		24,578
Diluted		24,532		24,848

See accompanying Notes to Condensed Consolidated Financial Statements.

NVIDIA Corporation and Subsidiaries  
Condensed Consolidated Balance Sheets  
(In millions)  
(Unaudited)

	Jul 27, 2025	Jan 26, 2025
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 11,639	\$ 8,589
Marketable securities	45,152	34,621
Accounts receivable, net	27,808	23,065
Inventories	14,962	10,080
Prepaid expenses and other current assets	2,658	3,771
Total current assets	102,219	80,126
Property and equipment, net	9,141	6,283
Operating lease assets	2,084	1,793
Goodwill	5,755	5,188
Intangible assets, net	755	807
Deferred income tax assets	13,570	10,979
Other assets	7,216	6,425
Total assets	\$ 140,740	\$ 111,601
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 9,064	\$ 6,310
Accrued and other current liabilities	15,193	11,737
Total current liabilities	24,257	18,047
Long-term debt	8,466	8,463
Long-term operating lease liabilities	1,831	1,519
Other long-term liabilities	6,055	4,245
Total liabilities	40,609	32,274
Commitments and contingencies - see Note 11		
Shareholders' equity:		
Preferred stock	—	—
Common stock	24	24
Additional paid-in capital	11,200	11,237
Accumulated other comprehensive income	170	28
Retained earnings	88,737	68,038
Total shareholders' equity	100,131	79,327
Total liabilities and shareholders' equity	\$ 140,740	\$ 111,601