International Management Studies

Class 9

November 6, 2025

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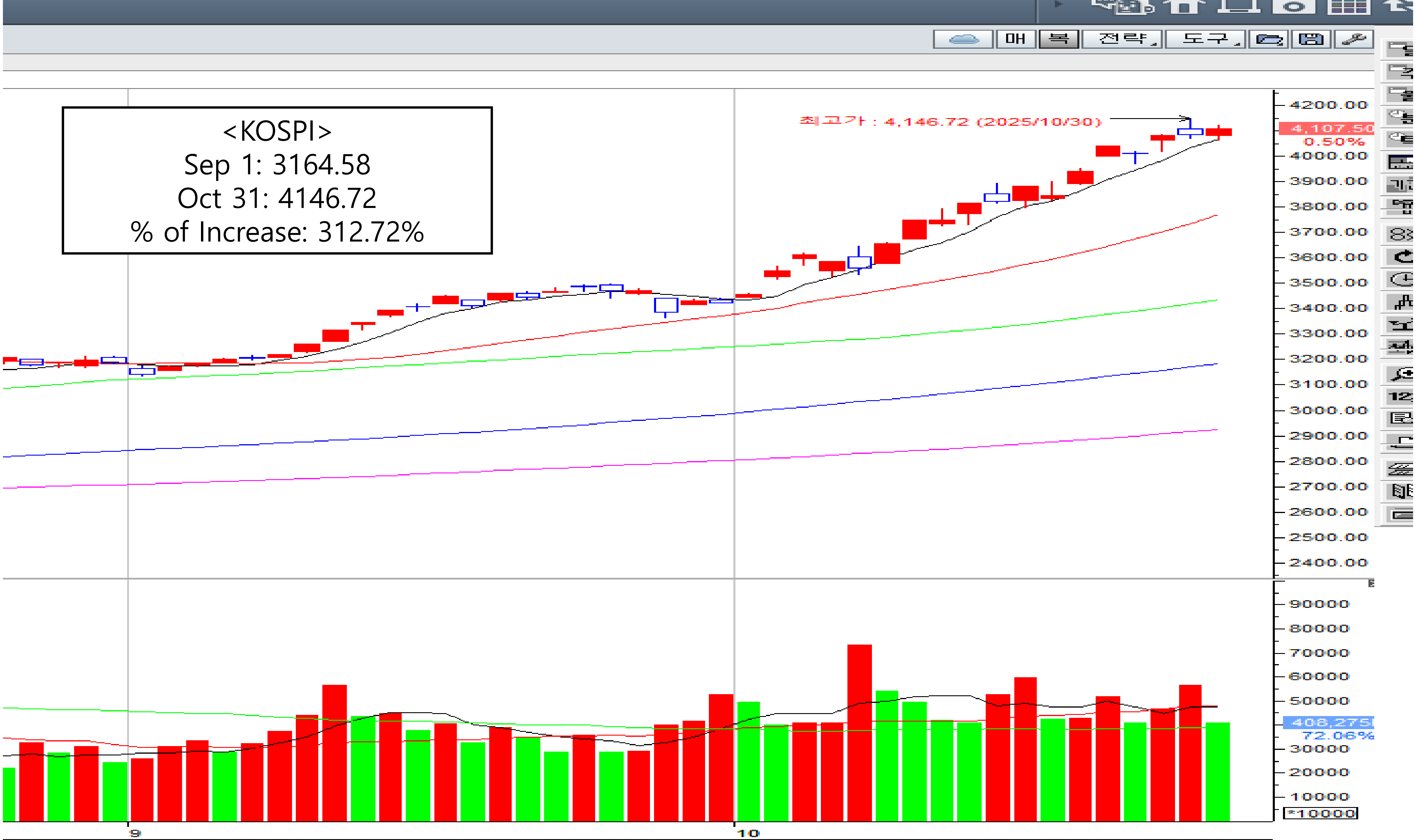
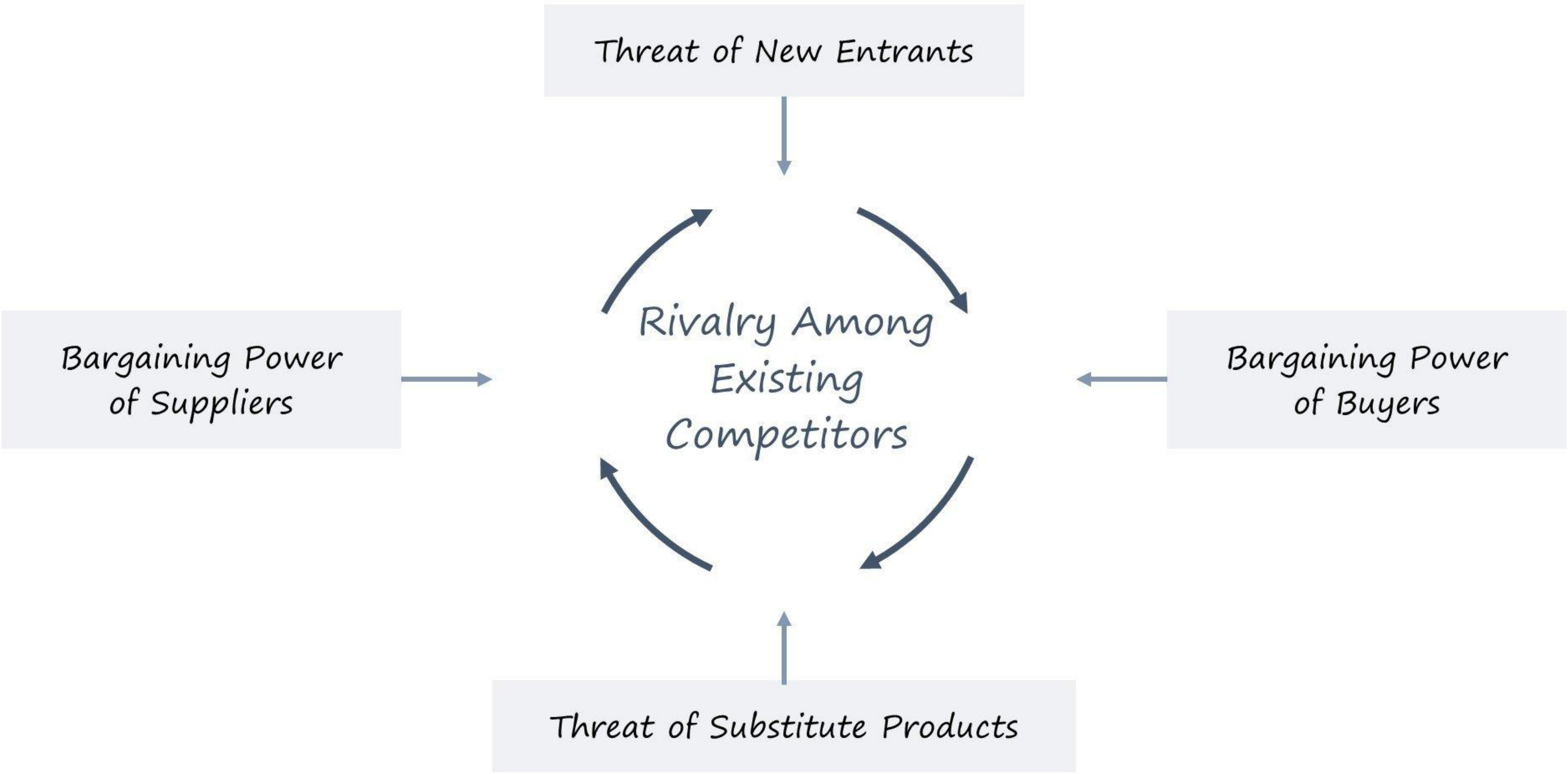

<KOSPI>
Sep 1: 3164.58
Oct 31: 4146.72
% of Increase: 312.72%
최고가 : 4,146.72 (2025/10/30)
4,107.50
0.50%
408,275
72.06%
*10000
9
10

II. Industry Analysis


Wall Street Prep
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Bargaining Power of Suppliers
Rivalry Among Existing Competitors
Bargaining Power of Buyers
Threat of Substitute Products

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1. Absolute Valuation
2. Relative Valuation

Wall Street says tokenization will change global markets. Gold is next.

As gold rallied to all-time highs this quarter, demand for tokenized bullion surged too.

Yahoo Finance • 14h ago USDT-USD +0.04% XAUT-USD +0.08%

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• LIVE Yahoo Finance • 11h ago

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• LIVE Yahoo Finance • 6h ago

NVDA -0.16%

China to suspend some rare earth curbs, probes on US chip firms

Bloomberg • 6h ago

Berkshire Hathaway's profits up 17% as Buffett prepares to step down

Associated Press Finance • 11h ago

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CAT -1.01% HONIV -0.50%

OpenAI was the AI dealmaking king. But Nvidia is giving it a run.

Yahoo Finance • 13h ago

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TROX -2.51% ATUS +6.70%

Quote Lookup

U.S. markets closed

US Europe Asia Cryptocurrencies Rat

S&P 500 6,840.20 +17.86 (+0.26%)	Dow 30 47,562.87 +40.75 (+0.09%)	Nasdaq 23,724.96 +143.81 (+0.61%)
Russell 20... 2,479.38 +13.43 (+0.54%)	VIX 17.44 +0.53 (+3.13%)	Gold 3,996.50 -19.40 (-0.48%)

Recently viewed

NVDA NVIDIA Corporat...	202.49	-0.32 (-0.16%)
005930.KS Samsung Electro...	107,500.00	+3,400.00 (+3.27%)
AVGO Broadcom Inc.	369.63	-6.84 (-1.82%)
META Meta Platforms, I...	648.35	-18.12 (-2.72%)
AMZN	244.22	

NVIDIA Corporation (NVDA)

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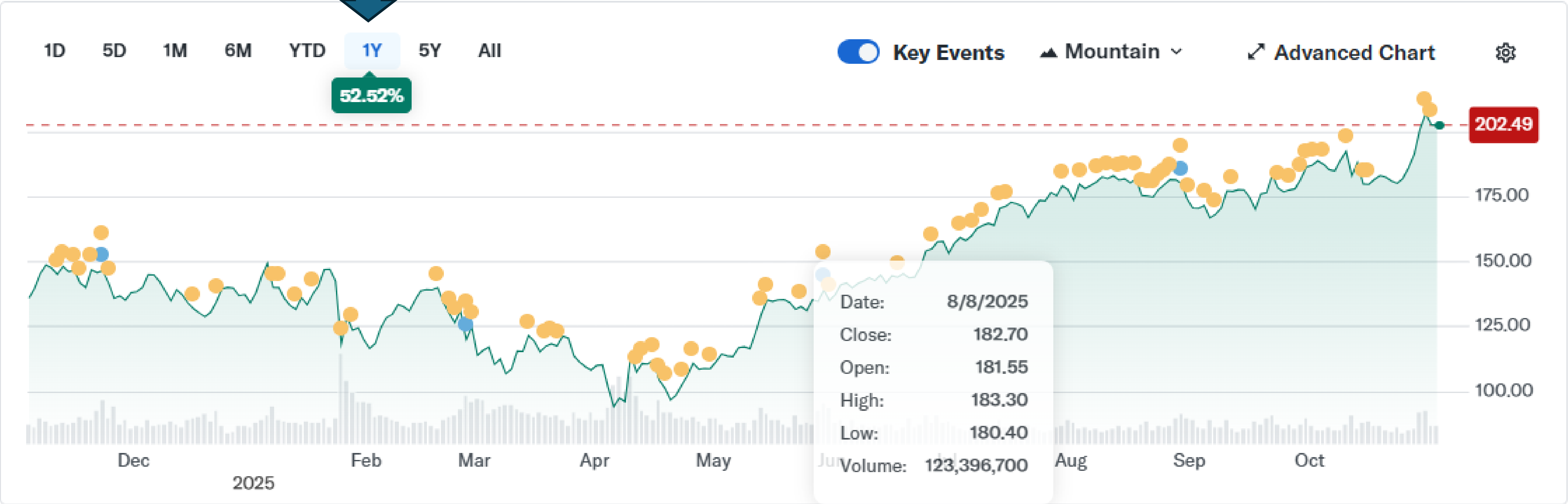
202.49 -0.32 (-0.16%) **202.62** +0.13 +(0.06%)

At close: October 31 at 4:00:00 PM EDT | After hours: October 31 at 7:59:59 PM EDT



Previous Close	202.81	Day's Range	202.07 - 207.97	Market Cap (intraday)	4.93T	Earnings Date	Nov 19, 2025
Open	206.45	52 Week Range	86.62 - 212.19	Beta (5Y Monthly)	2.12	Forward Dividend & Yield	0.04 (0.02%)
Bid	202.21 x 100	Volume	175,662,659	PE Ratio (TTM)	57.85	Ex-Dividend Date	Sep 11, 2025
Ask	203.29 x 100	Avg. Volume	176,961,839	EPS (TTM)	3.50	1y Target Est	227.13

1. Relative Valuation Method

Definition:

Relative valuation (also called *comparables* or *multiples-based valuation*) estimates a company's value by comparing it to similar companies or industry averages using financial ratios such as **P/E (Price-to-Earnings)**, **P/B (Price-to-Book)**, **EV/EBITDA**, or **P/S (Price-to-Sales)**.

Example:

If Company A's P/E ratio is 15 and similar firms trade at an average P/E of 20, Company A might be considered **undervalued**.

Pros:

- ✅ **Simple and fast** – Requires fewer assumptions and less complex modeling.
- ✅ **Reflects current market sentiment** – Uses real-time market data, making it practical for investors.
- ✅ **Useful for benchmarking** – Helps compare firms within the same industry.

Cons:

- ❌ **Dependent on market conditions** – Overvalued markets can make all stocks seem expensive.
- ❌ **Hard to find true comparables** – Firms may differ in size, growth, and risk.
- ❌ **Ignores intrinsic value** – Doesn't consider company fundamentals such as future cash flows.

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2. Absolute Valuation Method

Definition:
Absolute valuation estimates the **intrinsic value** of a company based on its own fundamentals, typically using models like **Discounted Cash Flow (DCF)**, **Dividend Discount Model (DDM)**, or **Residual Income Model**.

Example:
Using the DCF model, the value of a stock equals the **present value of its expected future cash flows** discounted by the cost of capital.

Pros:

- ✅ **Focuses on fundamentals** – Based on future earnings, cash flow, and growth prospects.
- ✅ **Independent of market mood** – More objective during bubbles or crashes.
- ✅ **Helpful for long-term investors** – Identifies intrinsic mispricing opportunities.

Cons:

- ❌ **Highly assumption-sensitive** – Small errors in growth rate or discount rate can change results drastically.
- ❌ **Data-intensive** – Requires forecasts, cost of capital, and reliable financial data.
- ❌ **Less effective for early-stage or unstable firms** – Difficult when cash flows are unpredictable.

3. Summary Comparison Table

Aspect	Relative Valuation	Absolute Valuation
Basis	Market comparables	Intrinsic fundamentals
Main Tools	P/E, EV/EBITDA, P/B ratios	DCF, DDM, Residual Income
Speed	Fast and simple	Complex and time-consuming
Key Inputs	Market multiples	Cash flows, growth, discount rate
Market Dependence	High	Low
Best Used For	Short-term, comparative analysis	Long-term, intrinsic valuation
Main Weakness	Subject to market mispricing	Sensitive to assumptions

V. Financial Statements

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📘 1. Balance Sheet (Statement of Financial Position)

Definition:

Shows a company's financial position **at a specific point in time** — what it owns (*assets*), what it owes (*liabilities*), and the owners' claim (*equity*).

Formula:

> **Assets = Liabilities + Stockholders' Equity**

Uses:

- To understand the **financial stability** of a company.
- To assess whether a company can pay its debts (liquidity & solvency analysis).
- To compare financial structures across countries or industries.

Example:

- *Samsung Electronics'* balance sheet shows high fixed assets (factories, R&D centers) and strong equity, meaning it's financially stable.
- A *shipping company in Denmark* (like Maersk) may have large asset investments in ships and ports — typical in international logistics industries.

재무상태표 (Balance Sheet, The Statement of financial positions)

AIFA Company
Balance Sheet
As of December 31, 20X1

Current Assets
- Cash and Cash equivalents
- Short-term investments : FVTPL
- Accounts receivable
  - Less allowance for doubtful account
- Contract assets
- Notes receivable
- Advances to customer
- Inventory (FG, WIP, Raw material)
- Prepaid expenses
- Property to be disposed of

Long-term Investments
- Investment in securities (FVOCI, Amortized Cost)
- Land held for future plant site
- Investment in special funds
- (Bond sinking fund, Plant expansion fund)

Property, Plant and Equipment
- Land
- Building
- Equipment & machinery
- Right of Use
- Leasehold improvement
  - Less : Accumulated depreciation

Intangible Assets
- Goodwill
- Patents (net of amortization)

Other Assets
- Non-current receivable
- Long-term prepaid expense
- Property for sale
- Cash surrender value
- Deferred tax asset

Current Liabilities
- Accounts payable
- Contract liabilities
- Notes Payable
- Interest payable
- Salaries payable
- Income tax payable
- Advances from customers
- Unearned revenue
- Current portion of Long-term debt

Non-current Liabilities
- Bonds payable (or N/P)
  - Plus : Unamortized premium
  - Less : Unamortized discount on bo
- Deferred tax liability
- Lease Obligation
- Accrued pension cost
- Accrued warranty

Stockholders' Equity

Capital stock
- Preferred stock
- Common stock

Additional paid-in capital
- From P/S
- From C/S
- From T/S
- From stock option
- From stock warrant

Retained earnings
- Appropriated
- Unappropriated

Accumulated other comprehensive income

Treasury stock at cost

📗 2. Income Statement (Profit and Loss Statement)

Definition:

Summarizes the **revenues and expenses** during a specific period, showing whether the company made a **profit or loss**.

Formula:

> **Net Income = Revenues – Expenses**

Uses:

- To evaluate **profitability and efficiency** of operations.
- To compare performance across markets (for example, Asia vs. Europe).
- To analyze the effects of trade conditions or exchange rate fluctuations.

Example:

- *Hyundai Motor Company* reports sales from exports to North America and Europe — exchange rate changes affect its profit.
- *Apple Inc.*'s income statement reveals how international markets contribute to total revenue.

손익계산서 (Income Statement)

multiple-step	Single-step
AIFA Company Income Statement For the year ended December 31, 20X1	
Sales Cost of goods sold **Gross profit** Operating expense : Selling expenses Administrative expenses **Operating Income** Other revenue & gains Other expenses & loss Provision for income taxes Current Deferred **Income from continuing operations**	**Revenues** Sales Other revenue & gains **Total revenue** **Expenses** Cost of goods sold Selling expenses Administrative expenses Other expenses & loss Provision for income taxes **Total expense** **Income from continuing Operations**

Discontinued operations :

G/L from operations of discontinued division, including loss on disposal

Income tax benefit

Net income

<Earnings per share>

Income from continuing operations

Discontinued operations (net of tax)

Net income

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

	Jul 27, 2025	Jan 26, 2025
Assets		
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
Liabilities and Shareholders' Equity		
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

📕 3. Statement of Cash Flows

Definition:

Shows how cash is generated and used in operating, investing, and financing activities.

Three Sections:

1. **Operating Activities** – Cash from daily business operations.
2. **Investing Activities** – Cash used to buy/sell assets or investments.
3. **Financing Activities** – Cash received or paid for debt, stock, or dividends.

Uses:

- To see whether a company generates **real cash** from its core business.
- To evaluate **liquidity and capital management**, crucial for trade financing and investment.

Example:

- *Coca-Cola* generates strong operating cash flow from global beverage sales.
- *POSCO International* may invest cash in overseas factories (investing activities) and raise loans from global banks (financing activities).

NVIDIA Corporation and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(In millions)
(Unaudited)

	Six Months Ended	
	Jul 27, 2025	Jul 28, 2024
Cash flows from operating activities:		
Net income	$ 45,197	$ 31,480
Adjustments to reconcile net income to net cash provided by operating activities:		
Stock-based compensation expense	3,099	2,164
Depreciation and amortization	1,280	843
Deferred income taxes	(2,160)	(3,276)
Gains on non-marketable equity securities and publicly-held equity securities, net	(2,073)	(264)
Other	(196)	(288)
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(4,743)	(4,133)
Inventories	(4,880)	(1,380)
Prepaid expenses and other assets	946	(12)
Accounts payable	2,255	801
Accrued and other current liabilities	3,075	3,314
Other long-term liabilities	979	584
Net cash provided by operating activities	42,779	29,833
Cash flows from investing activities:		
Proceeds from maturities of marketable securities	6,252	8,098
Proceeds from sales of marketable securities	487	164
Proceeds from sales of non-marketable equity securities	70	105
Purchases of marketable securities	(14,358)	(15,047)
Purchases related to property and equipment and intangible assets	(3,122)	(1,346)
Purchases of non-marketable equity securities	(995)	(534)
Acquisitions, net of cash acquired	(677)	(317)
Net cash used in investing activities	(12,343)	(8,877)
Cash flows from financing activities:		
Proceeds related to employee stock plans	370	285
Payments related to repurchases of common stock	(23,815)	(14,898)
Payments related to employee stock plan taxes	(3,380)	(3,389)
Dividends paid	(488)	(344)
Principal payments on property and equipment and intangible assets	(73)	(69)
Repayment of debt	—	(1,250)
Net cash used in financing activities	(27,386)	(19,665)
Change in cash and cash equivalents	3,050	1,291
Cash and cash equivalents at beginning of period	8,589	7,280
Cash and cash equivalents at end of period	$ 11,639	$ 8,571
Supplemental disclosure of cash flow information:		
Cash paid for income taxes, net	$ 8,451	$ 7,449

📒 4. Statement of Changes in Equity

Definition:

Explains how the owners' equity changed during the period (e.g., new shares issued, retained earnings, dividends).

Uses:

- To track how much profit is retained vs. paid as dividends.
- To understand changes in ownership and capital structure — especially important in joint ventures or multinational subsidiaries.

Example:

- *LG Chem* issues new shares to finance overseas battery plants, increasing equity.
- *Toyota* retains a portion of profit each year to expand R&D in hybrid technology.

NVIDIA Corporation and Subsidiaries
Condensed Consolidated Statements of Shareholders' Equity
(Unaudited)

	Common Stock Outstanding		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Shareholders' Equity
	Shares	Amount				
(In millions, except per share data)						
Balances as of Apr 27, 2025	24,388	$ 24	$ 11,475	$ 186	$ 72,158	$ 83,843
Net income	—	—	—	—	26,422	26,422
Other comprehensive loss	—	—	—	(16)	—	(16)
Issuance of common stock	39	—	—	—	—	—
Tax withholding related to common stock	(13)	—	(1,848)	—	—	(1,848)
Shares repurchased	(67)	—	(59)	—	(9,599)	(9,658)
Cash dividends declared and paid ($0.01 per common share)	—	—	—	—	(244)	(244)
Stock-based compensation	—	—	1,632	—	—	1,632
Balances as of Jul 27, 2025	24,347	$ 24	$ 11,200	$ 170	$ 88,737	$ 100,131
Balances as of Apr 28, 2024	24,598	$ 25	$ 12,628	$ (109)	$ 36,598	$ 49,142
Net income	—	—	—	—	16,599	16,599
Other comprehensive income	—	—	—	165	—	165
Issuance of common stock	38	—	—	—	—	—
Tax withholding related to common stock	(11)	—	(1,637)	—	—	(1,637)
Shares repurchased	(63)	—	(38)	—	(6,990)	(7,028)
Cash dividends declared and paid ($0.01 per common share)	—	—	—	—	(246)	(246)
Stock-based compensation	—	—	1,162	—	—	1,162
Balances as of Jul 28, 2024	24,562	$ 25	$ 12,115	$ 56	$ 45,961	$ 58,157

🌍 Why It Matters in International Trade

- **Credit Evaluation:** Foreign buyers and suppliers check these statements before extending trade credit.
- **Investment Decisions:** Global investors compare firms using IFRS-based financial statements.
- **Risk Analysis:** Exporters and importers assess currency and market risks using income and cash flow data.
- **Trade Policy Impact:** Tariffs or exchange rate changes directly affect profitability and assets.