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Student Name: Iuliana Olaru

Student ID: 2019941

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Introduction

This report is aimed at showing various aspects of multinational organizations. In simpler terms, in this report, several types of economic and financial activities of a multinational organization will be discussed. For this purpose, the study requires a multi-national organization for study. For this purpose, Walmart is chosen to be evaluated in this assignment. In the first part of the report, the dividend distribution policies will be discussed, and how Walmart uses them to pay off their dividend is also discussed. The EMH will also be evaluated in this assignment. This includes how the organization uses those theories. In the end part of the report, the discussion about the investment chosen process will be evaluated. This is also related to how the chosen organization uses them for choosing their project plans.

Main Body

Analysis of the dividend distribution policy of the chosen organization.

The companies that operate their business in different nations are often allied with multinational organizations. In other terms, a business that operates its business in multiple countries at the same time is called an MNC organization (Corporate Finance Institute, 2023). There are several kinds of features of those types of businesses. As an example of that, this kind of organization always has a vast number of sales in a financial period. There is also a significantly strong network between the main branch and its side branches. The growth factor of these companies is also relatively higher than the other types of companies. The discussion about the chosen organization is discussed below.

For completing this assignment, the business chosen to be analyzed is Walmart. This business is also an example of a multinational organization. It has supermarkets in different nations. In recent times the organization has had several active stores 10,623 (Corporate, 2023). The numbers show the value of stores spread throughout the world. Because of that reason, the organization is a part of MNC organizations. The organization is well known for its retail business. The changes in the value of stores of the organization are shown below.

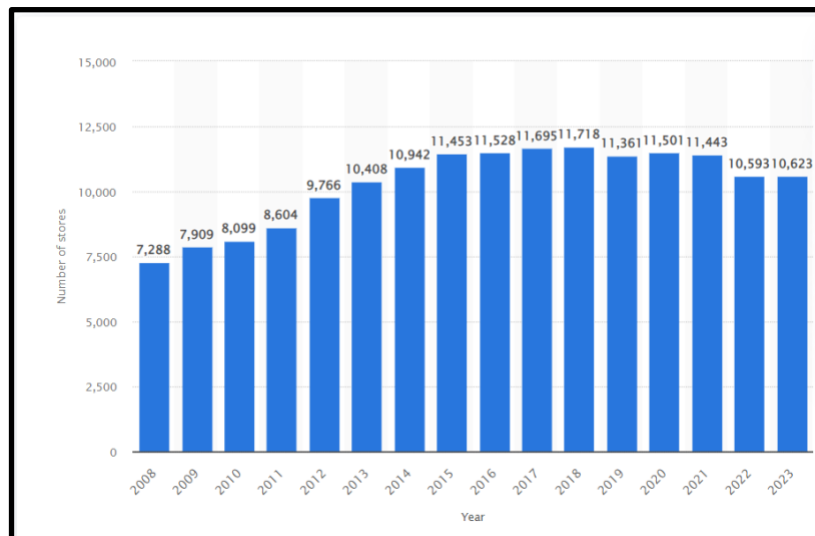


Figure 1: - Number of stores in Walmart

(Source: - Ozbun, 2023)

The discussion of dividend distribution techniques of this kind of organization is discussed below.

Definition and use of dividend distribution policy

The value of the dividend is all about payment to the investors. Payment is made regularly. There are several types of periods for the payment of dividends to investors. In other terms, several types of companies follow several types of periods for paying their dividend (IG, 2023). In this scenario, Walmart is paying its dividend to the shareholders on an annual basis. In other terms, the payment made by Walmart to its investors on an annual basis. There are also several types of processes for paying the value of dividends to investors. In this scenario, Walmart is using the dividend distribution model of Dividend Discount. The history of dividend payments to Walmart is shown below.

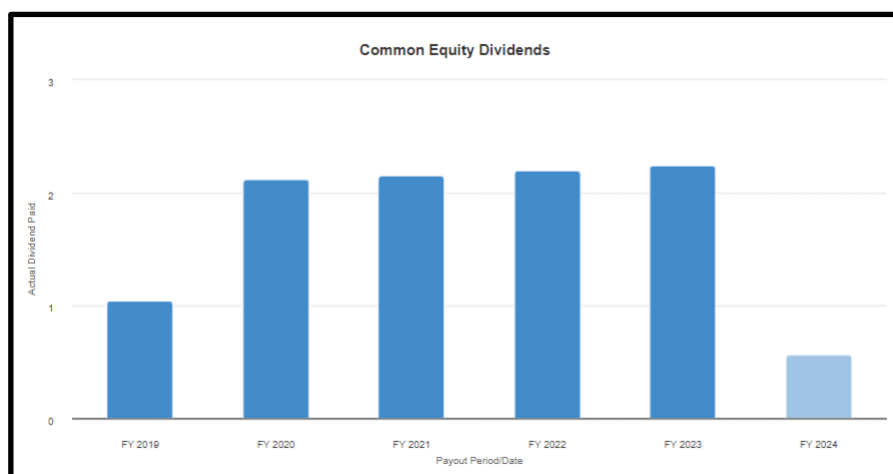


Figure 2: - Payment of dividend in Walmart

(Source: - Stock, 2023)

From this image, it can be observed that the payment rate of dividends by the organization in the past fiscal year. The total rate of dividend per share of the organization is £ 1.83. From this, it can also be observed that the current rate of payment of dividends is the highest in the past few years. In other terms, the value of the dividend is the highest in recent years in Walmart.

Analyze the EMH theory.

This part of the assignment aims to discuss the effective market hypothesis theory. This will be done to understand the changes in the share price and the equity price of the organization. This task is done to understand the form of the EMH in Walmart. The discussion about the EMH is given below.

This theory is all about the opportunity of business trading and other such things. In other terms, the theory is done for understanding the information about the share price. According to this theory, the market does not give any type of information that is profitable for the investors (Gabaix and Koijen, 2021). It reflects fair and transparent trading activities in a market. Because of that a higher rate of return is constantly generated in an organization or a market. Because of that the condition of this theory is impossible to find in the real market. This theory is also based on several types of assumptions and other such aspects (Wall Street Mojo, 2023). As an example of these assumptions, the behavior of the shareholders in a market always acts in a normal way. This is also considered that if any type of beneficial or other such information leaks into a market then all the investors act in the usual way. Three kinds of forms are categorized by this theory.

Such as weak form, or the market condition of public information in simpler terms, the market is controlled by the information gathered by investors. The semi-strong form. In this form, the market and non-market elements determine the value of shares. The strong form of market. In this form, private and investor information quickly affects the share price.

Form of EMH in Walmart

The factor can be determined by using the P/E ratio of an organization. In simpler terms, the ratio reflects the changes in the price of the shares reviled the value of the change in share price according to the earning from it (Corporate Finance Institute, 2023). Because of that reason, this ratio can be used for determining the EMH condition of an organization in a fiscal year. The P/E ratio of Walmart is presented below.

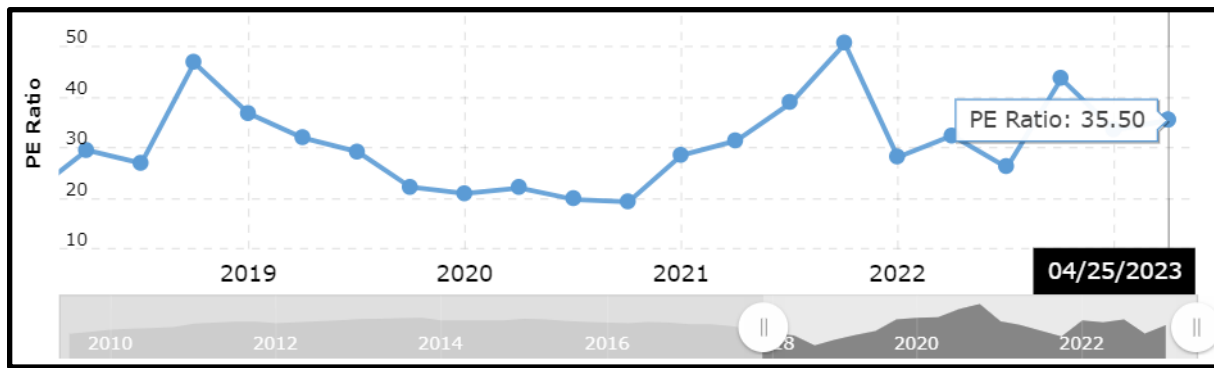


Figure 3: - Price earnings ratio in Walmart

(Source: - Macrotrends, 2023)

In this figure, the P/E ratio change in Walmart is presented (Macrotrends, 2023). From that image, it can be observed that the value of this ratio is significantly higher than the average percentage. Because of that, the shareholders of Walmart are expecting faster economic and financial growth of the organization.

From that, it can be said that the EMH theory in the organization is a strong one. It means that the information held by private parties and public parties can easily change the features and price of the shares and stocks of the organization.

Investment appraisal methods used by the organization.

This part of the assignment aims to discuss the effective appraisal method for appraising investments by an organization. In simpler terms, this part will be discussed the methods that are used for analyzing projects (Lawal *et al.*, 2023). An organization needs to appraise investments before making their resources in that investment. It is also the same for Walmart organization. They also must use various kinds of investment appraisal processes for understanding the financial factors of those projects. There are several types of methods of evaluating investments. Such as net present value, the initial rate of return, ARR, and other such processes.

Investment appraisal method used by Walmart.

There are several kinds of investment appraisal methods that are used by the retail sector organization. It is also the same for Walmart. They also must use several types of investment appraisal methods for understanding the profitability of the projects. Some of them are discussed below.

- a) The first process of investment appraisal is to calculate the payback period of an investment. It is one of the easiest and essential types of investment appraisal methods (Study Smarter US, 2023). This process is used to evaluate the required time for returning the initial investment to the investors or companies. Because of that Walmart

can also use this method for evaluating the length of their projects. They also use this method for evaluating the risk of time of investments. The process also helps them to choose effective plans for investments depending on the time of the return of primary capital.

- b) The next most effective way of calculating the profitability of projects is by calculating the ARR. This calculation can help companies to understand the average value of profitability earned by an organization. Because of that, the method is primarily used for evaluating the average return rate from a project. For this purpose, Walmart can also use this method to analyze the average return rate and choose their projects based on the result of this calculation.
- c) The method of net present value is also a commonly used tool for evaluating the width of an investment plan in the current market. In simpler terms, the calculation of this is used for understanding the difference between the present value of cash in and out flows in the future. Because of that Walmart can use this method to understand the time value of money of projects.

Conclusion

This assistant summarized that the answers to the given questions are done. The first question of this assignment is the discussion about the dividend distribution process of an organization and how Walmart manages them. This also includes a discussion about the different processes of dividend distribution. In the second question, the nature of the EMH in Walmart is discussed. This discussion is done depending on the P/E ratio of the organization. In the last question, the process of appraising investments that are used by Walmart is discussed.

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