

## Ask the Fool

### Talking Tickers

Q What can you tell me about stock ticker symbols? — M.M., Fort Myers, Fla.

A A ticker symbol is a short identifier for a company's stock. Tickers of companies on the old, respected "big board," the New York Stock Exchange, generally have three or fewer letters — for example, K for Kellogg, V for Visa, BA for Boeing and XOM for ExxonMobil. Tickers of stocks trading on the Nasdaq Stock Market usually have four letters (such as MSFT for Microsoft and SBUX for Starbucks).

Sometimes you'll see a fifth. If so, it's not technically part of the ticker — it's tacked on to reflect something about the company. For example, an F means it's a foreign company and a Q means it's in bankruptcy proceedings.

To look up a company's ticker symbol online, click over to sites such as <http://finance.yahoo.com> and type the company name in the search box. Alternatively, call the company or your brokerage and ask. Newspaper stock listings also usually include ticker symbols.

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Q I know that Southwest Airlines has an amusing ticker symbol, LUV. What other clever ticker symbols are out there? — R.B., Richmond, Va.

A Well, there's Yum! Brands (YUM), the parent of KFC, Taco Bell and Pizza Hut; explosives specialist Dynamic Materials (BOOM); Brinker International (EAT), the parent of Chili's; 3M (MMM); Molson Coors Brewing (TAP); Gibraltar Industries (ROCK); Meta Financial (CASH); Franklin Resources (BEN); Sotheby's (BID); Olympic Steel (ZEUS); and amusement park company Cedar Fair (FUN).

Before it was acquired by the Roche pharmaceutical company, Genentech traded under DNA. Eyewear maker Oakley, before its own buyout, traded under the symbol OO. (Think about that last one, if you don't get it at first.)

Got a question for the Fool? Send it in — see Write to Us



# The Motley Fool®

To Educate, Amuse & Enrich

## Fool's School

### Much Ado About Splits

Stock splits? Meh. They're not as exciting as they seem.

Imagine shares of McDonald Farms (ticker: EIEIO), trading around \$50 each. If you own 100 shares, they're worth \$5,000. Let's say McDonald splits its stock 2-for-1. For each share that you own, you'll get another, so you end up with 200 shares. You didn't get any richer, though, because while your share count increases, the value of each share decreases proportionately. After the split, the shares will trade around \$25 each. The total value of your shares? Still \$5,000.

Splits can take many forms: 2-for-1, 3-for-2, etc. There are even "reverse splits," which reduce the total number of shares and plump up the price. But beware of reverse stock splits of low-priced stocks. Companies use them to create a (false) sense of higher value and sometimes to avoid getting delisted from a stock exchange, as Rite Aid



might need to do. Many well-known companies, such as AIG, E\*TRADE, Time Warner and Sun Microsystems, have executed reverse splits.

One reason companies split their shares is to keep prices low enough for individual investors. If, in its 91-year history as a public company, Coca-Cola had never split its stock, each share would be priced at more than \$260,000 today and few folks could afford one. In fact, Coke has split so often in its history that if you'd bought just one \$40 share when it went public in 1919, you'd now have 4,608 shares.

It's rare for investors to be shut out of a stock because of a steep price, though. Even with a \$300 stock, shallow-pocketed investors can just buy one or two shares.

While a split can make a stock's price more psychologically inviting and does technically make it cheaper, it doesn't make it a sudden bargain. A stock selling at more than \$200 per share might seem "expensive," but it can be a much better value than many \$10 stocks. Stock prices only matter when you compare them to other numbers, such as earnings or revenue.

### Name That Company

Based in Connecticut, I trace my roots back to 1878's Edison Electric Light Co. My annual revenue now tops \$150 billion. I'm a diversified technology, media and financial services company, dealing in aircraft engines, refrigerators, power generation, water treatment, medical imaging, business and consumer financing, locomotives, lighting, and much more. My "Ecomagination" campaign aims to boost revenue via eco-friendly initiatives. My \$6 billion "Healthymagination" initiative aims to deliver lower-cost care to people, along with business growth. I employ about 300,000 people worldwide. The ZIP code for my original headquarters is 12345 and my logo is a monogram. Who am I?

Know the answer? Send it to us with Foolish Trivia on the top and you'll be entered into a drawing for a nifty prize!



## My Dumbest Investment

### Pasta's Done

Several years ago, I had money to invest and remember choosing between the American Italian Pasta Co. and the spice giant McCormick. I was impressed with the pasta company's smooth and strong growth of revenue and earnings. I figured I couldn't go wrong with it, and that spices were just a commodity. Well, an SEC investigation into accounting fraud soon after I bought my stock made my stomach churn. I learned that there isn't much brand power to pasta, but spices and condiments can have pricing power. — Felix E., Singapore



**The Fool Responds:** The pasta company ended up being investigated by the SEC and the Department of Justice and was slapped with a class-action suit, as well. Several pasta executives pled guilty to deceiving investors by overstating earnings. The American Italian Pasta Co. is now being bought by the food company Ralcorp.

Spices and commodities aren't always boring. McCormick's stock has surged more than 25 percent in the past year, and has averaged 13 percent growth annually over the past 10 and 20 years.

Do you have an embarrassing lesson learned the hard way? Boil it down to 100 words (or less) and send it to The Motley Fool c/o My Dumbest Investment. Got one that worked? Submit to My Smartest Investment. If we print yours, you'll win a Fool's cap!



## LAST WEEK'S TRIVIA ANSWER

I was born in 1981 as the Au Bon Pain Co. I bought the Saint Louis Bread Company in 1993 and in 1999, sold Au Bon Pain and took my current name. My stock has grown more than tenfold since then. I recently bought the Paradise Bakery & Café chain. Today I'm a major player in the café-bakery world, with some 1,400 stores in 40 states and Canada. (About 600 are company-owned and 800 franchised.) You'll typically find me in suburban, strip mall and regional mall locations, where I offer fresh-baked artisan bread, antibiotic-free chicken, and more. Who am I? (Answer: Panera Bread Co.)



**Write to Us!** Send questions for Ask the Fool, Dumbest (or Smartest) Investments (up to 100 words), and your Trivia entries to Fool@fool.com or via regular mail c/o this newspaper, attn: The Motley Fool. Sorry, we can't provide individual financial advice.

## What Is This Thing Called The Motley Fool?

Remember Shakespeare? Remember "As You Like It"? In Elizabethan days, Fools were the only people who could get away with telling the truth to the King or Queen. The Motley Fool tells the truth about investing, and hopes you'll laugh all the way to the bank.

## The Motley Fool Take

### GM's Bright Idea

Is General Motors serious about electric cars? It sure looks like it.

As GM prepares to sell its Chevrolet Volt electric car to the masses, it's also investing in Hoosier startup Bright Automotive. The companies aim to bring a plug-in gas/electric hybrid van to market in 2013. So hurray for GM. But don't go storming the barricades just yet.

Sure, at first glance this looks like absolutely the right idea. We know that companies ranging from battery makers such as A123 and Ener1 to automakers such as Toyota and Tesla are placing big bets on electric vehicles becoming the wave of the future. So on the one hand, GM has fiscal rectitude on its side. On the other hand, it's most definitely "politically correct."

But despite the size of the idea, check out the size of the investment. GM's investment in Bright is exceedingly tiny: just \$5 million. That's less than what it would pay for a minute's worth of commercial airtime during the Super Bowl. For a company that hit up U.S. investors for tens of billions of dollars, \$5 million isn't an "investment" in electric vehicles. It's chump change.

Then again, maybe that's GM's brightest idea yet. At this price, it doesn't matter whether the new van succeeds or not. GM's bought itself some good PR, at a very good price.

