

Investor's Inquiry

by Charles Colling

I have been asked many times how to evaluate a stock before purchasing. I will answer this question in two parts, this week - Industrial and Investment Securities - next week - Mining and Resource stocks.



Charlie Colling

It must be remembered that under the trust act any stock that has not paid a dividend regularly for a minimum of five years does not qualify as a Trust Security. All industrial stocks are broken down into classifications: Financial Services - Banks, trust companies etc. Transportation - Railways, bus lines, transports etcetera.

After the decision as to which classification you wish to invest in, compare the past performance of each stock in this classification for the past few years; High and Low for the year, Dividend changes - up or down, stock splits over the past few years and Profit and Loss or Earnings per share over a period of time.

When looking at profit and loss remember that many stocks are cyclical, that is, their profits drop in any one quarter of the year when their sales are historically lower. In these cases yearly figures are of more value than quarterly.

In addition to these hints there are certain simple formulae that the investor can use to evaluate a stock on his or her own. I will outline a few of the most important in this column:

Pre Tax Yield; Dividend times one hundred divided by the price per share.

Price Earnings Ratio; Price of Stock divided by earnings per share.

Working Capital Ratio; current assets divided by current liabilities

Working Capital; Current assets minus current liabilities.

You will notice that I gave formula for Pre Tax yield, all dividends on Canadian stocks are entitled to a Depletion allowance or discount for income tax purposes, thus the After Tax Yield on a stock is higher than the Pre Tax Yield.

Another factor that is becoming increasingly important in evaluating a stock is the source of income. A prime example of this is some of the leading distillers which appear to be making as much, or more money from resource related subsidiaries and investments as they do from selling their regular products for medicinal purposes only.

In sending in questions to be answered in these columns, please remember that Securities Commission Regulations will not permit giving opinions or recommendations on any specific securities.

All other signed inquiries will be answered as soon as possible. In all answers only the inquirer's initials will be used. Address all questions to "Investor's Inquiry" c/o The Midland Times, Box 609, Midland, Ontario.

Salaries, benefits majority of schools' bills

In the period ending April 30, 1981, \$14,911,304 was spent by the Simcoe County Board of Education on the board's elementary schools. Of that amount, salaries and benefits for instruction in day schools were \$10,868,579. In the same period, \$13,878,076 was spent by the board on its secondary schools.

Obituary

Edith Melinda Turner of Elmvalle passed away on Friday, May 1, 1981 at the Beechwood Private Hospital in Penetanguishene following a lengthy illness. She was 91.

Mrs. Turner was born March 22, 1890 to Cavey Beacock and Maria Pinch, fourth in a family of ten. Her parents farmed on Tiny Con-

cession 3 in the community of Gibson.

She married Mervyn Dunean Turner in March of 1916 and moved with him to their farm on Concession 11 of Flos.

The couple resided there until October 1955 when their son Lloyd took over the property. They then moved to Peter Street in Elmvalle

for retirement.

Mrs. Turner's interests included cooking, baking, quilting and making hooked mats. In her early years these items were a necessity but later became a hobby.

After the move to Elmvalle, Mrs. Turner kept boarders in her home and they were

recipients of her talents.

She was a member of St. John's United Church in Elmvalle and a former member of Allenwood W.I.

Left to mourn her passing are her sons Nelson of Oshawa, Lloyd of RR3 Elmvalle and a daughter Leda (Mrs. G. Archer) of RR1 Elmvalle.

Also left are 16 grandchildren and eight great-grandchildren as well as a sister Mrs. Jane Locke of Penetanguishene, and the late Hetti, Myrtle, Lambert, Eber, George, Hazel and Mervyn.

She was pre-deceased

by her husband Mervyn in 1965 and a son Lorne in 1972.

Funeral services were held at James H. Lynn Funeral Home in Elmvalle May 4, conducted by Rev. John Locke of Wyevalle.

Interment was at Allenwood United Cemetery.

Pallbearers were four grandsons, Wayne Turner, Paul Turner, John Turner and David Archer and nephews Wisley Marshall and Victor Turner.

Relatives and friends attended from Oshawa, Thornbury, Barrie and the surrounding area.

Obituary

Sylvia E. Strehorn

The death occurred on May 17, 1981 in Huronia District Hospital of Sylvia Elizabeth Strehorn, 77, of 313 Midland Ave., Midland. Mrs. Strehorn, the former Sylvia French, had been ill for two weeks.

Funeral services were held in the Nicholls Funeral Home, Midland, on May 19, 1981, with Rev. Jim

Obituary

Mrs. W. Porter

A graveside service was held May 28, 1981 at Penetanguishene Presbyterian Cemetery, for the late Mrs. Walter Porter of Port Colborne.

A family friend, Rev. Charles Carter, of Victoria Harbour Presbyterian Church, conducted the service.

Mrs. Porter passed away May 26.

She was the former Grace Isabel Leatherdale and was born in Penetanguishene, where she spent the early part of her life.

She was the daughter of the late Dr. and Mrs. James Leatherdale. Her father was a Penetanguishene dentist.

Mrs. Porter was predeceased five months ago by her husband, a retired bank manager, whom she met when both were employed in the Standard Bank in Penetanguishene.

Surviving are a daughter Joy (Mrs. David Benner) of Port Colborne; two grandchildren, Peter Benner, of North West Territories, and Janet (Mrs. Brian Castle) of Innisfail, Alberta, and a sister, Mrs. Bette (Bertha) McNichol, of Toronto.

Manuel officiating. Interment in the Presbyterian Cemetery, Craighurst.

Pallbearers were Richard Porter of Cargill, Edward Thompson of Keswick, Robert Strehorn of Scarborough, and Fred Atkin of Scarborough.

The late Mrs. Strehorn was born in her parent's home west of Waverley, which is now known as French's Hill. She was the daughter of William George French and Emaline Catherine Miller.

On Aug. 1, 1917 at Hillsdale she married Robert Strehorn.

Mrs. Strehorn lived

for 20 years near Craighurst and for 40 years at Sunnidale. She was a farm wife.

Surviving her are her husband, Robert M. Strehorn of the Villa Nursing Home, Midland; sons William of Scarborough and Jack and Douglas of Pickering; and daughters Mary (Mrs. John Horning) of Midland, Dorothy (Mrs. A. McQuay) of Scarborough, Betty (Mrs. J. Duquette) of Vars, June (Mrs. R. Sutton) of Westbank, B.C., and Jean (Mrs. E. Thompson) of Keswick.

She had 23 grandchildren and 15 great grandchildren.

Edith Melinda Turner

Dr. David W. Carr
Announces the opening of
his office for
the practice of Optometry
Monday, June 8
at
372 King St. Midland, L4R 3M8
Office hours by appointment
Telephone **526-6050**

Finally at Adco

A Muffler Shop that Helps Your Car Run Better



Any muffler shop can sell you a muffler. But only Adco Tire keeps a licensed mechanic on staff so we can offer you first class tune-ups, oil changes, lube jobs and brake jobs. So the next time you're due for a new muffler, drive into Adco Tire. You'll drive out with a great muffler and a better running car.

MufflerWorld



Drive in today to the "complete" auto service centre!

ADCO TIRES LIMITED

526-5481 655 Vinden St. 526-5482

HOMELITE®

has it all



Homelite string trimmers... give your lawn the finishing touch

Light-weight and easy to handle, Homelite string trimmers feature our exclusive "Idle-Line" system that advances the string only when needed, and only when the engine is at idle.

A Homelite string trimmer is a must for doing lawn chores around your home, farm or cottage. See your nearest Homelite dealer, he has a model to satisfy your needs, gas driven or electric.

* Textron Canada Limited Registered User.

GRANT DUNN Hillsdale 835-2720