

Is Tesla's Stock Price in Ludicrous Mode?

Case Overview

This case conducts an analysis of Tesla, the pioneering electronic vehicle company, in late 2015. The case includes:

1. Analysis of Tesla's business strategy, including its vertically integrated distribution network.
2. Analysis of accounting issues, including accounting for vehicles with resale guarantees and accounting for extended warranties.
3. Ratio analysis versus Ford, a traditional automotive manufacturer.
4. Forecasting and valuation analysis for a 'growth' company, with a focus on whether Tesla's stock price is too high.