

MCI to Cut 7,500 Jobs This Year Amid

Monday, May 10, 2004

McLean, Va. — MCI plans to eliminate 7,500 jobs this year — about 15 percent of its work force to cut costs as its struggles with weak revenues that resulted in a quarterly loss of \$388 million, the company said Monday.

The \$388 million loss compared to a net profit of \$52 million in the year-ago quarter. The company said the weaker performance stemmed from the intense competition on prices within the industry, resulting in lower revenues.

The company said it expects to eliminate 7,500 jobs in the second half of the year. MCI employs about 50,000 workers, and in March announced layoffs of about 4,500 workers.

Quarterly revenue declined almost 13 percent year to year, from \$7.23 billion in 2003 to \$6.30 billion this year. The company has lowered its revenue projections several times in recent months citing pricing pressure in the industry, and some analysts have said the company's current projection of about \$21 billion in revenue for 2004 is still too optimistic.

1. If 7,500 represents a 15% cut of work force, what was the original number of MCI employees?
2. What was the difference between last year's net quarter profit and this year's loss?
3. In paragraph form, explain using words, numbers, and/or pictures why this loss may have taken place with MCI and options these workers now have?

McDonald's U.S. Sales Up 13.5 Percent

Monday, May 10, 2004

CHICAGO — McDonald's Corp. Monday said comparable sales jumped 10.5 percent in April, showing evidence that its volatile European market may be stabilizing, helped by the launch of meal-sized salads. The company's European same-store sales, or those at restaurants open at least 13 months, rose 5.0 percent. Same-store sales in McDonald's, which operates more than 30,000 hamburger restaurants worldwide, said same-store sales in its combined Asia/Pacific, Middle East and Africa business were up 10.1 percent in the month.

Shares of McDonald's were up 19 cents at \$26.90 on the New York Stock Exchange, off an earlier high at \$27.32. In 2003, McDonald's announced \$17,140,000,000.00 in annual revenue.

4. If you purchased 250,000 shares of stock at \$14.12 how much have you made?
5. Of the 30,000 McDonald's operating about 16 hours/day (estimate given the fact that many remain open 24 hours) in 2003, about how much did they make per hour, per store.

Kerry: Health Costs Rising Faster Than Wages

Tuesday, May 11, 2004

PITTSBURGH — John Kerry accused President Bush of ignoring a steady rise in health care costs where he contends families are struggling to pay their medical bills. The average family pays nearly \$10,000 a year for a policy, more than those in any other country. U.S. employers have responded by slowing hiring and shifting work to part-time and temp. employees.

With an eye on the electoral map, Kerry has broken his study down state by state. He says health insurance costs in Pennsylvania have grown \$2,756 over four years, with a family policy now averaging \$9,477. In Ohio, costs have grown \$2,704 and policies now cost \$9,300. The numbers for Michigan, show a \$2,795 increase to a family cost of \$9,612.

6. What is the mean, median, mode, and range of the policy prices in Pennsylvania, Ohio, and Michigan before and after the four-year increase?