

An Analytical Report on Financial Performance of a Firm

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ABSTRACT

In a Firm the most important thing is to find out the financial performance and to identify the financial position and activities of the firm. There are many kinds of terms are used to identify the financial performance of the company. The firm may be in production sector or manufacturing sector. Suppose the firm is in the share market has to identify the dividends and the availability of the shares. In a firm the financial analysis are in the working capital statement, operational statement, income statement, balance sheet etc., in this analysis to identify the financial performance of the firms. The data's used in this analysis are secondary data. Finally identify the financial performance of the firms in various sectors.

1. Introduction

Financial performance used in a business like that how assets are used in a firm and how the firm gets the revenues by using the asset. The financial performance is the primary performance of the company and has to compare the other related company. The financial performance is measure in many types like the company revenue from operations, operating income or cash flow from operations, and also the total units of the sales of the production. In a company may have number of stakeholders, trade creditors, bond holders, investors, employees and management and also the company has to analyze the financial performance in these areas.

2. Objective

Analyze the financial performance of a firm.

3. Research Methodology

Data's are taken from the secondary data's only like websites, journals, newspapers etc.,

4. Financial Analysis of Firms

Financial performance analysis include in the business production, productivity performance, profitability performance, liquidity performance, working capital performance, fund flow performance and social performance. Financial performance ratios include the working capital Analysis, Financial structural analysis, activity analysis, profitability analysis.

5. Balance Sheet

Balance sheet is to identify the financial performance like the company assets and liabilities. Also know about the long term debts and short term debts of the company. In balance sheet we can find out the kind of assets are used in the firm

and also know about the what percentage of assets the company having in that particular year.

6. Income Statement

The Income statement shows the overall performance of the company for the year and also know about the company profit and loss statement, Income statement provides the gross profit margin, the cost of goods sales, operating profit margin and net profit margin of the company. We can also know about the shares performance comparing the previous shares.

7. Cash flow statement

Cash flow statement shows the overall cash flows in a company like operation expenses, dividends and capital expenditures. In cash flow shows the statement like income statement and balance statement. The cash flow statement helps the company to know about the availability of the cash in the company.

8. Working capital analysis

The working capital statement are used in the company for analyze the current asset and current liabilities. To know about the need of the company long term funding for its operations and also know the long term cash on Investment for the company.

9. Conclusion

Finally the financial statement analysis shows the wealth of the company. The company has to know about the financial condition in Investment, assets, Liabilities, Cash Flows, Fund flows etc., in this way the company has to know about their strength and weakness to perform the future activities.

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