

# FINANCIAL CASE ANALYSIS RATIO ANALYSIS

*In financial analysis, a ratio is used as a configure the level of the inventory to determine its usage standard for evaluating the financial position and capacity and.*

So how they relate to our net sales. I hope everybody enjoyed this video, and I hope to see you next time. It helps us to understand how each item of the balance sheet has moved over the years. To analysis the financial performance of the Sri Sai Ltd by comparing liquidity ratios of last three years 2. With profitability ratios the investors get the idea about the business performance over the period and forecast the future profits. The net profit margin of BAE systems will be calculated with the following data. It is necessary to hit a correct balance financial statements of the similar company. So plug-in the information for our subject company and we'll see their inventory turnover is 2. It provides an analytical link between accounts calculated at different dates using currency with different purchasing powers. And then the other thing you can look at, down here, are notes payable. Sri Sai Ltd credit turnover is increase in as compare to previous year which is good for the company , Because in this year the time period of payment is greater but the ratio is going to decrease in as compared to previous year. It needs Rs 2. So what we're going to do is convert those to a percentage of our base amount. It's a type of company that is owned by a single individual, and where the individual and the business are legally treated as the same. So we need to see how much each of these individual financial statement line items is changing. The objective of this note is to help the reader understand how these tools should be used to analyze the financial position of a firm. To increase the margin the company should reduce the unwanted operational costs and focus on new operational technologies to achieve high NP margin ratio. Single ratio in itself does not Calculation of Ratios indicate favorable or unfavorable condition. A single ratio is not sufficient to adequately judge the financial situation of the company. Sri Sai Ltd net assets turnover has increased in but in it show decrease as compare to previous year. It provides insights into two widely used financial tools, ratio analysis and common size statements analysis. Inventories are considered to be less liquid therefore for finding quick ratio they are deducted It indicates the competence of the firm in producing and from current assets. So the current ratio shows how much in current assets we have to pay off our current liabilities. So now that we've seen how to perform financial analysis for our subject company, let's summarize what we talked about today. And then we change that to a percentage. These are important ratios as the future earnings of the company and investors depends on the profits earning potential and profitability ratios serves as a tool of measuring the same. The purpose of the research is to find out the Current Liabilities liquidity position, inventory turnover; leverage position with the effect of its determinants. Now we can perform our vertical analysis for our subject company's balance sheet. What is included in other assets?