# Explain about relative analysis.

* Relative analysis is a financial analysis method that evaluates a companys value, performance or financial health by comparing it to similar companies, industry standards, or historical bench marks.

* This approach helps identify strengths, weaknesses, and areas of for improvement.

* Instead of looking at absolute figures, relative analysis provides context by assessing metrics relative to peers or industry average, helping investors, analysts, and managers make more informed decisions.

## Types of Relative Analysis:

* Horizontal Analysis.
* Vertical Analysis.
* Ratio Analysis.
* Bench marking.