

Assignment - 13.

1. Explain about Relative analysis.

- This approach was to find the average debt equity ratio of the sector or industry.
- Since the industry average debt equity is taken as the appropriate mix of Capital Structure.

⇒ Sector analysis Techniques:-

- Top-down analysis : Examining Sector trends and then individual companies.

Bottom-up analysis : Analyzing individual companies and then aggregating to sector level.

SWOT analysis : Evaluating sector strengths, weaknesses, opportunities and threats.