

APPLIED FINANCIAL STATEMENT ANALYSIS

ASSIGNMENT-1

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I) ASSETS

Personal Assets can include a Home, Land, Financial Securities, Jewellery, Artwork, Gold and Silver or Your Checking Account.

I) Non-CURRENT ASSETS

Non-Current Assets are Assets and Property Owned by a business that are not easily converted to cash within a year.

Xa) PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment [PPE] are the Actual, Tangible, Long-term Assets of a Corporation that normally have a lifespan of more than a year.

Xb) CAPITAL WORK-IN-PROGRESS

Capital Work-In-Progress [CWIP] is the Expenditure on Fixed assets that are in the Process of Construction or completion i.e., not ready for intended use at the time of incurring of Expenditure.

Xc) GOODWILL

Goodwill is an Intangible Asset [an asset that is non-physical but offers long-term value] which arises when another Company acquires a new Business.

✓ d) OTHER INTANGIBLE ASSETS

Intangible Assets are those that are Non-Physical but Identifiable.

e.g:- The Company's Proprietary Technology for Computer Software, Copyright, Patents, Licensing, Agreements and website domain names, etc....,

X e) GOODWILL ON CONSOLIDATION

Goodwill generated on consolidation represents the excess of the cost of acquisition over the group's share in the market value of the identifiable assets and liabilities of a subsidiary.

X f) INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

The equity method is a method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets.

X g) FINANCIAL ASSETS

A Financial Asset is an Easily Tradable Asset whose value comes from a promise of future Payments.

✓ i) INVESTMENTS

Functional Category - is a Residual Category in the financial. Account and IIP.

✓ ii) LOANS

A Loan is a sum of money that one or more individuals or companies borrow from banks or other financial institutions so as to financially manage planned or unplanned events.

✓ iii) OTHER FINANCIAL ASSETS

The cash or cash equivalents present in the balance sheet determine a company's asset value. These are instruments, present in cash form or are quickly convertible into cash. Some examples are savings accounts, petty cash, money orders, etc., Bank Deposits.

✓ b) NON-CURRENT TAX ASSETS [NET]

Non-Current Assets are a company's long-term investments, and cannot be converted to cash easily within a year. They are required for the long-term needs of a business and include things like land and heavy equipment.

✓ i) DEFERRED TAX ASSETS [NET]

A deferred tax asset is an item on the balance sheet that results from an overpayment or advance payment of taxes. It is the opposite of a deferred tax liability, which represents income taxes owed.

✓ i) OTHER NON-CURRENT ASSETS

A non-current asset is an asset that the company acquires or invests, but the value of that investment does not recur within an accounting year.

2) CURRENT ASSETS

A current asset, also known as a liquid asset, is any resource a company could use, turn into cash, or sell within a year.

✓ a) INVENTORIES

Inventory refers to all the items, goods, merchandise, and materials held by a business for selling in the market to earn a profit.

X b) FINANCIAL ASSETS

A current asset, also known as a liquid asset, is any resource a company could use, turn into cash, or sell within a year.

X i) INVESTMENT

An investment is an asset or item acquired to generate income or gain appreciation. Appreciation is the increase in the value of an asset over time.

X ii) LOANS

If a party takes out a loan, they receive cash, which is a current asset, but the loan amount

is also added as a liability on the balance sheet.

iii) TRADE RECEIVABLE

Trade Receivable are defined as the amount owed to a business by its customers following the sale of products or services on credit.

iv) CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents are a group of assets owned by a company. For simplicity, the total value of cash on hand includes items with a similar nature to cash.

v) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS MENTIONS ABOVE

"Bank balances other than cash and cash equivalents should include items such as balances with banks held as margin money or security against borrowings, guarantees, etc....., and bank deposits with original maturity of more than three months but less than 12 months."

vi) OTHER FINANCIAL ASSETS

A financial assets is a liquid asset that gets its value from a contractual right or ownership claim. Cash, stocks, bonds, mutual funds, and bank deposits, are all are examples of financial assets.

vii) OTHER CURRENT ASSETS

Other Current Assets [OCA] is a category of things of value that a company owns, benefits from, or uses

b) Other Equity

Other Equity represents the portion of a company's shareholder's equity that is distinct from share capital and retained earnings.

c) Non-Controlling Interests

A non-controlling interest is an ownership position in which a shareholder owns less than 50% of outstanding shares and has no control over decisions.

2) LIABILITIES

Liabilities are debts or obligations a person or company owes to someone else. For example, a liability can be as simple as an I.O.U. to a friend or as big as a multibillion dollar loan to purchase a tech company.

a) Non-Current Liabilities

Non-current liabilities are the debts a business owes, but isn't due to pay for at least 12 months. They're also called long-term liabilities.

a) Financial Liabilities

A financial liability is any money owed to another party. Common personal liabilities include home mortgages and student loans, while common business liabilities include accounts payable and

deferred revenue.

✓ i) OTHER FINANCIAL LIABILITIES

Other Financial Liabilities means all liabilities, obligations, contingencies, instruments and other liabilities of any member of the Sxxx Lxx Group of a financial nature with third parties existing on the date.

✓ ii) LEASE LIABILITIES

The lease liability represents the obligation to make lease payments and is measured at the present value of future lease payments.

✓ b) PROVISION

A third type of non-current liability is for provisions, which refers to entries made in the books for unforeseen liabilities.

✓ c) NON-CURRENT TAX LIABILITIES [NET]

A non-current liability is the one that is not due for settlement within a period of one year.

✓ d) OTHER NON-CURRENT LIABILITIES

"Other liabilities", as used in this section, includes all balance sheet liability accounts not covered specifically in other areas of the supervisory activity. Often they may be quite insignificant to the overall financial condition of a bank.

c) DEFERRED Tax LIABILITIES [NOT]

Deferred tax liabilities is created when a tax obligation is accumulated in one financial year but is due in the subsequent years.

B) CURRENT LIABILITIES

Current liabilities are a company's short-term financial obligations that are due within one year or within a normal operating cycle.

✓ a) BORROWINGS

Long Term borrowing is one of the most important line items in the entire balance sheet as it represents the amount of money that the company has borrowed through various sources.

✓ b) TRADE PAYABLE

Trade payable [also called trade payable] are the money a business owes for goods and services when buying them on credit.

✓ d) TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES

The total outstanding dues, which included the amount outstanding where applications converted into cases by MSE Facilitation Councils and the amount outstanding where applications are pending, included Rs 4092 outstanding during FY21 that increased to Rs 4,628 crore in FY22 and Rs 5,134 crore in FY23.

10) TOTAL OUTSTANDING DUES OF CREDITORS OTHER THAN MICRO AND SMALL ENTERPRISES.

It refers to the total amount of money owed by a company to its creditors, excluding micro and small enterprises. This disclosure is required under the Companies Act 2013, and is intended to provide transparency on a company's payment obligations to its creditors.

c) OTHER CURRENT LIABILITIES

Other current liabilities, in financial accounting, are categories of short-term debt that are dumped together on the liabilities side of the balance sheet.

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