## Financial Statement\_Analysis.R

## Setia Comp

##

##

```
Wed Mar 21 16:43:32 2018
 #Financial Statement Ananlysis
 #Two vectors of Data: Monthly Revenue and Monthly Expenses for the Financial Year
 revenue <- c(14574.49, 7606.46, 8611.41, 9175.41, 8058.65, 8105.44, 11496.28, 9766.09, 10305.32,
  14379.96, 10713.97, 15433.50)
 expenses <- c(12051.82, 5695.07, 12319.20, 12089.72, 8658.57, 840.20, 3285.73, 5821.12, 6976.93,
  16618.61, 10054.37, 3803.96)
 #Solution:-
 #Profit For each Month
 profit <- revenue -expenses # Basic Formula</pre>
 profit
 ##
     [1] 2522.67 1911.39 -3707.79 -2914.31 -599.92 7265.24 8210.55
    [8] 3944.97 3328.39 -2238.65
                                     659.60 11629.54
 ##
 #Profit after tax for each month (the tax rate is 30%)
 tax <- round(profit * 0.3,2)# using round function to make it one decimal point
 tax
     [1]
          756.80
                    573.42 -1112.34 -874.29 -179.98 2179.57 2463.17
    [8] 1183.49
                    998.52 -671.60 197.88 3488.86
 #Or we can use round function
 tax <- round(profit * 0.3, digits =2)</pre>
 tax
 ##
    [1]
          756.80
                    573.42 -1112.34 -874.29 -179.98 2179.57 2463.17
    [8] 1183.49
                    998.52 -671.60 197.88 3488.86
 # Profit after tax
 profit_after_tax <- profit -tax</pre>
 profit after tax
     [1] 1765.87 1337.97 -2595.45 -2040.02 -419.94 5085.67 5747.38
```

[8] 2761.48 2329.87 -1567.05 461.72 8140.68

```
# Profit margin for each month
profit_margin <- round(profit_after_tax / revenue,2)*100 #converting it to percentage
profit_margin</pre>
```

```
## [1] 12 18 -30 -22 -5 63 50 28 23 -11 4 53
```

```
# Good Months - where the profit was greater than the mean of the year.
mean_profit_after_tax <- mean(profit_after_tax)
mean_profit_after_tax</pre>
```

```
## [1] 1750.682
```

```
#calculating good months
good_months <- profit_after_tax >mean_profit_after_tax
good_months
```

```
## [1] TRUE FALSE FALSE FALSE TRUE TRUE TRUE TRUE FALSE FALSE ## [12] TRUE
```

- # It seems from the calculation that company is doing better in summer, They have streak of good months in summmer.
- # We can say this business is holiday oriented. As we can see high streak in summer holidays and winter holidays.

```
#Calculating Bad months
bad_months <- profit_after_tax < mean_profit_after_tax
bad_months</pre>
```

```
## [1] FALSE TRUE TRUE TRUE TRUE FALSE FALSE FALSE TRUE TRUE
## [12] FALSE
```

#OR we can calculate with exclamation mark, which gives you the opposite of a logical expression.

bad\_monthss <- !good\_months

```
## [1] FALSE TRUE TRUE TRUE FALSE FALSE FALSE TRUE TRUE ## [12] FALSE
```

# the best month where the profit after tax was max for the year
max(profit\_after\_tax)

```
## [1] 8140.68
```

bad\_monthss

```
best_month <- profit_after_tax == max(profit_after_tax)
best_month</pre>
```

```
## [1] FALSE FALSE
```

```
#the worst month
min(profit_after_tax)
```

```
## [1] -2595.45
```

```
worst_month <- profit_after_tax == min(profit_after_tax)
worst_month</pre>
```

```
## [1] FALSE FALSE TRUE FALSE FALSE FALSE FALSE FALSE FALSE FALSE
## [12] FALSE
```