Horizontal Analysis of Income Statement(P&L):

In horizontal analysis, we check the growth from the previous period to this Period, whether Year to Year, Quarter to Quarter ya Month ho.

➔ Matrix drag krna, filter me P&L, Rows me Class, Subclass, Subclass2 and In column Drag date.

➔ POP_FTP ko drag kry gy Values me, ab hm previous period to this growth dekh skty.

➔ Year-wise. 2018 blank aye ga kiun k isy previous koi year nhi. 2019 me 2018-2019 growth a rhi and same for 2020 me 2020-19.

➔ Validate krni kaliye matrix copy paste kr k second me POP ki jgha Total_FTP drag krna.. and for year 2020, 2020- 2019/2019 *100

➔We use horizontal analysis to help us find any outliers very quickly.

➔Our sales have grown by 59%. The first outlier here is the cost of sales itself. We know that usually the cost of sales is a variable cost, the cost of making the product.

➔The more you sell, the higher the cost of the sales. But why?

➔ It has grown only by 45%. Now we need to investigate that. There can be several reasons.

➔ **The reason number** one can be the increase in sales is not achieved by increasing the units. Rather, it has been achieved by increasing the selling prices.

➔ **The other argument that** we can make is that you have done some very good cost controls, and you have reduced your cost per unit significantly.

➔ **You can also argue that** the cost of sales has fallen because you may have reduced the quality of the product, and you will need some kind of justification to support this hypothesis.

➔ Let us compare this with the next period.

The sales have only grown by 37%. First of all, this itself is a question mark that if in the last period we have grown by 67, around 59%.

What happened this time?

➔ But another important thing that we need to investigate here is if our sales have grown by 37%, why our cost of sales has grown even more.

Class	2018	2019	2020
⊟ **Trading account**			
⊞ Sales		59.36%	37.51%
⊞ Cost of Sales		45.05%	44.22%
⊟ **Operating account**			
⊞ Operating Expenses		58.71%	58.32%
⊞ Depreciation & Amortization		30.73%	34.35%
⊟ **Non-operating**			
⊞ Interest Income		23.16%	85.72%
⊞ Gain/Loss on Sales of Asset		4.85%	24.90%
⊞ Exchange Loss/Gain		67.34%	35.38%
⊞ Dividend Income		36.65%	38.06%
⊟ **Interest & Tax**			
⊞ Taxation		43.99%	40.88%
⊞ Interest Expense		36.36%	17.61%

Horizontal analysis for Balance Sheet:

→ P&L sheet ko duplicate krna, Matrix select kr k filter BS select krna. Rows me Calss, Subclass, Subclass2, Account drag krna. Values me POP_TTD drag krnaa.. Yayy BS Ready

→ Validate krny kaliye hm matrix ko copy paste kry gy Total_TTD drag krna and 2019 ki period growth kaliye 19-18/18 * 100 kr dena.. so prove.

→ We can easily investigate for outliers.

Class	2018	2019	2020
Assets			
Assets			
Current Assets			
Cash & Cash Equivalents		142.49%	-11.74%
Inventory		393.57%	153.89%
Investments		148.45%	104.56%
Receivables		41.49%	60.67%
Non-Current Assets			
Intangible Assets		101.06%	55.21%
Property, Plant, & Equipment		161.44%	81.25%
Liabilities and Owners Equity			
Liabilities			
Current Liabilities			
Other Payables		38.97%	7.87%
Trade Payables		73.47%	54.92%
Long Term Liabilities			
Long Term Obligations		118.27%	64.09%
Owners Equity			
Retained Earnings			
Dividends paid		123.16%	68.16%
Retained Earnings		208.89%	66.94%
Share Capital			
Share Capital		142.35%	25.43%

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