0/4/18 Financial statements

- Incoine stalement
- 2. Financial position statement
- 3. Profit & Lors statement
- 4. cash closo statement

Prinaircial Management, Ratio Analyses

- I what are the main tasks of Financial management & why is its imp.?
-) Financial plaguings planning
- 4 Obtaining sufficient funds at min cost
- utilisation of funds. capital Budgeting decision & sividend decision
- Riquidity decision
- working capital management
 - maximisation of wealth.

1. Liquidity Ratio
- short term
1/40 A A A A A A A A A A A A A A A A A A A
current assets
2. current Ratio = current assets verrent valuilities
isstude etocks, molterm
current assets and secretarially banks investments, debtors, receivables, banks
cash amount.
current vialulities include cheditors, outstanding
current viabilities include creditors, outstanding wages, bank overdraft and other expenses,
2 Quick Ratio / Acid Zest Ratio / Reguid Ratio
Hotal current asiets - stocks - prepaide expenses Jotal current tradictities
Total Co
Jotal current valuelities
Working capital = Notal current assets -
working capital = Motal current assets - total current liabilities
working capital = Motal current assets - total current liabilities
working capital = Motal current assets - total current liabilities Rialilities Assets
vorking capital = Motal current assets - total current liabilities Riabilities Assets Capital 300 Plant L. Equip. 65
volking capital = Motal current assets - total current liabilitais. Riabilities Assets capital 300 Plant L. Equip. 65 Gen. neserves 55 Rand & Building 200 Gen. neserves 1000
Working capital = Motal current assets — total current liabilities Riabilities Riabilities Rand L. Equip. 65 Gen. neserves Pl L. credit bal. Rilly Passing bell 1002:
Working capital = Motal current assets— total current liabilities. Riabilities Assets capital 800 plant L. Equip. 65 Gen neserves 55 Kand & Building 200 Gen neserves 4 Cash Pl L credit bal: 65 Bills Receivable 100: Loan 35 Good bood stock 25:
vorking capital = Motal current assets — total current liabilitais. Assets Capital 800 Plans L. Equip. 65 Gen. neserves 55 Kans & Building 200 Gen. neserves 4 Cash Pl L credit bal. 65 Bills Receivable 100. Loan Sour Govd. boost stock 25. Debenvaris 35 Govd. boost stock 25.
Working capital = Motal current assets — total current liabilities. Riabilities Assets capital 300 plant L Equip. 65 Gen. neserves 55 Kand & Building 200 Gen. neserves 4 Cash 1. PL credit bal. 65 Bills Receivable 100 : Loan Govt. bood stock 25 : Duentures 35 Govt. bood stock 25 : Duentures 38 Process 128 Bank Op 38 Process 128
working capital = Notal current assets - total current liabilities. Assets Capital 300 Plant L. Equip. 65 Gen. neserves 55 Kans & Building 200 Pl L credit bal. 7 Cash Pl L credit bal. 65 Bills Receivable 100: Loan Govl. botted stock 25: Sebenbars 38: Stocks 128 Bank Olp 38: Prepaid expenses 1 Sundry creditors 26 Govl. 19:11
working capital = Notal current assets — total current liabilities. Assets Capital 300 Plant L Equip. 65 Gen neserves 55 Land & Building 200 PPL credit bal. 65 Bills Receivable 100: Loan 65 Govel board stock 25: Albertaris 35 Govel board stock 25: Burdry creditors 26 Prepaid expenses 1 Sundry creditors 26 Goodwill 30 Provision of tax 9 Provision of tax 15
working capital = Notal current assets — total current liabilities. Riabilities Assets Capital 300 Plant L. Equip. 65 Gen. neserves 55 Land & Building 200 PPL credit bal. 65 Bills Receivable 100 Doan 65 Stocks 25 Stocks 128 Bank old 38 Prepaid expenses 1 Sundry creditors 26 Goodwill 30 Proposed ailyidend 15
vorking capital = Notal current assets — total current liabilities. Assets Capital 300 Plant L. Equip. 65 Gen neserves 55 Kand & Building 200 Cash Pl L credit bal! 7 Bills Receivable 1000: Joan 35 Good boost stock 25: Substitution of tax 9 Goodwill 30 Promision of tax 9 Goodwill 30

auvent ratio = 128 + 25 + 100 + 1 + 1 = 255

Wet 26 + 38 + 9 + 15 88 Not good. Enderstry standard is 2:1, Driede Ratio 2 265-128-1-25 2003.1.147 Not good, Gudustry standard is 1:2. = current assets - stock current liabilities - Bank overdrags # Quick Ratio utside liabilities (a Loan, debenture)