**Accounting Principles for Sustainability and Decision Making**

Contents

[**Introduction 3**](#_Toc168676489)

[**Section 1: The Role of Accounting in Informing Decision-Making 3**](#_Toc168676490)

[**Section 2: Preparation of Financial Statements 6**](#_Toc168676491)

[**2.1 Financial Statements for Sole Proprietorship: Lima’s Trial Balance 6**](#_Toc168676492)

[**2.2 Financial Statements for Partnership: John Paul Partnership 8**](#_Toc168676493)

[**2.3 Financial Statements for Not-for-Profit Organization: Bright Future 10**](#_Toc168676494)

[**Section 3: Interpretation of Financial Statements 11**](#_Toc168676495)

[**3.1 Financial Ratios for Lorrids Ltd 11**](#_Toc168676496)

[**3.2 Evaluation of Financial Performance 13**](#_Toc168676497)

[**3.3 Justified Adjustments and Conclusions 14**](#_Toc168676498)

[**Section 4: Justification of Budgetary Control Solutions 14**](#_Toc168676499)

[**4.1 Benefits and Limitations of Budgets and Budgetary Planning 14**](#_Toc168676500)

[**4.2 Preparation of Cash Budget for Fortune Ltd 16**](#_Toc168676501)

[**Cash Budget for Fortune Ltd 16**](#_Toc168676502)

[**4.3 Justification of Budgetary Control Solutions 17**](#_Toc168676503)

[**Bibliography 18**](#_Toc168676504)

# Introduction

With the ever-changing business environment coupled with increased environmental complexity the role of accounting now is more important as it were before. Accounting is not just about documenting financial activities, but about decision-making tool, conformity to the stipulated laws and the provision of information to numerous individuals and organizations. In the context of the De Byrne Consulting’s UK SME unit, this report endeavours to explain the diversified functions of accounting in boosting up performance as well as sustainability of the organization for the information of the shareholders (Al Janabi 2021). The findings are arranged into four broad categories as follows. The first part of this paper critically assesses accounting and decision making on how it caters for organization, stakeholders, and society needs in complex operating systems. This evaluation also focuses on the role of accounting function in an organization based on the laws regulating compliance and ethical standards. The second section entails the actual preparation of the financial statements for various forms of business activities such as sole traders, partnerships, and not-for-profit organizations. Based on the trial balance data, the report also illustrates adjustments to trial balance, intermediate calculations and formulation of necessary financial statements such as income statements and balance sheets. The third and final section is consists of the analysis of the financial statement. Thus, based on the calculated and compared key financial ratios, the report evaluates the company’s performance in comparison with each period and industry standards (Ambusaidi & Al-Rabaani 2019). Hence, this analysis aids in expressing the financial situation and organizational performance correctly and making appropriate modifications and actions. The final part focuses on the control of budgeting solutions and their implications on the decisions of an organization. It covers the preparation of a cash budget for a given period, the advantages and the disadvantages of using budgets and budgetary estimates. This section also outlines remedial measures that enable correction of problems which the budget exposes in terms of resource utilisation. In summary, this report endeavours to offer extensive knowledge of how accounting practices and standards enable the sustainability of a business venture and its operations as well as the formulation of viable decisions (Arreola Hernandez & Al Janabi 2020).

# Section 1: The Role of Accounting in Informing Decision-Making

Accounting plays an important role of being the support of financial management in every organization in that it supplies essential knowledge in strategic and managerial decisions. Some of the key uses of accounting include record keeping, measurement of company performance, decision making information, compliance with legal requirements, information sharing with stakeholders, controlling of costs and risks and managing them. Accounting systematically records all the financial transactions made within an organization and provides a historical record that is significant in the process of preparing financial statements, auditing, or for future use (Broadstock, Chatziantoniou & Gabauer 2022). Income statements, balance sheets, and statements of cash flow are used in reporting and assessing an organization’s performance at a given point in time or over a period of time on matters such as profitability, liquidity, solvency, and efficiency. Also, accounting information allows for making strategic decisions and using solid facts in preparing the budget, forecasting, and allocating resources. Management uses financial information for developing, directing, and assessing organizational activities (Chen 2022). The need to conform to legal and regulatory demands is also another crucial role of accounting because it facilitates the compliance with the tax laws, financial reporting rules, and sectorial guidelines thus averting legal consequences as well as eradicating organizational image compromise. Accounting is also important in maintaining effective flow of communication with stakeholders since they trust and have confidence in figures that are transparent and accurate in financial reports. Through tracking of expenses and revenues, accounting contributes to cost containment and proper use of funds, recognition of areas where cost may be cut and operations made more efficient and the return on investment increased. Finally, accounting highlights the existence of financial risks and other information which is required for managing these risks such as the company’s cash flow, dept level and adequate reserve for other events.

The accounting function is done within the stipulated law and ethical standards aimed at producing accurate and credible financial data. Government laws including GAAP and IFRS are examples of the established general rules, policies, and procedures on how business organizations should prepare their financial statements. These principles help to maintain consistency, credibility, and relevance of the financial data being compared. The United States has an independent governmental agency called the Securities and Exchange Commission commonly referred to as the SEC, which is responsible for the regulation of disclosure standards for companies that issue securities to the public by making sure that investors are provided with enough and correct information. Some of the core ethical values of accountants are integrity, objectivity, confidentiality, competence and diligence and professional conduct (Folqué, Escrig‐Olmedo & Corzo Santamaria 2021). Accountants should not only present factual information and numbers in a clear and accurate way but also should not give incomplete information or distorted information as well as they should not try to twist figures as they want them to be. They should be impartial and not be affiliated to any particular business so that financial decision-making is done based on facts and matters of business. In their work, it is necessary to keep information obtained secret and preserve the competence of corresponding professional services (Fu et al. 2022). Professional accountants should not participate in any unlawful or dishonest activities and should adhere to the professional and ethical standards.

Accounting serves a purpose of providing information that aids decision making especially within complex operating conditions. This role includes strategic management and operational decision-making, compliance, and legal responsibility, and ethical decision making. The role of accounting in strategic management involves presenting detailed information on financial management and resource distribution, investment decisions, assessment of organizational performance, decision-making on capital expenditures, and strategic planning. This includes the use of accounting information for financial forecasting as well as for developing different scenarios that are useful in the development of long-term strategic plans and achieving sustainable goals. Accounting is also involved in the identification of costs drivers and opportunities for operational improvements in operational decision making. Efficient costing information assists in developing proper and economical pricing strategies to meet competition while supporting business and adequate margins (Korbutiak et al. 2021). Accounting also helps to give valuable information when controlling stock, the cost of holding, and instances when stock-out may occur or when there is an excess of stock. Financial reporting contributes to regulatory and compliance assurance since compliance with the regulatory measures is made easier, the organization will not attract legal consequences and thus upholding the organizations reputation. This gives a guarantee to the stakeholders those regular audits, enabled by strong accounting systems, offer reliability to the financial reports. Ethical decision making in accounting is a critical activity that helps to maintain and build trust internally as well as externally. Sound accounting practices go hand in hand with sound corporate governance policies that will make sure that the company operates in the best interest of its shareholders and the general public (Li, Li & Wei 2020).

This paper examines the significance of ethical accounting and the role of proper disclosure through examples and case studies. The Enron debacle was an example of how business organisations engaged in unethical act of accounting frauds resulting in one of the biggest corporate failures and the dissolution of these structures triggered the changes in the laws especially the Sarbanes-Oxley Act. Likewise, accounting frauds employed by Lehman Brothers that sought to keep the gravity of the liabilities undisclosed compounded the financial crisis of 2008, making it important to uphold ethical approaches to accounting and sound reporting practices to achieve financial order. Thus, accounting is a critical success factor for efficient decision-making in any organization. It supports strategic and operational planning and execution, facilitates the implementation of appropriate regulatory and ethical requirements, and increases the level of transparency and accountability. Combining accounting principles, an organization is effectively able to manage its operations within increasingly intricate settings in a productive and sustainable manner.

# Section 2: Preparation of Financial Statements

## 2.1 Financial Statements for Sole Proprietorship: Lima’s Trial Balance

Lima is self-employed, and his or her business began on January 1st 2019. Trial balance as of December 31, 2023 encompasses various correctly recorded transactions and adjustments that must be reconciled in the process of creating financial statements. The main changes are thus the owner’s capital injection, a bank loan and interest expensed, transfer to the cash account, the acquisition of a depreciating car, and stock, accrued and prepaid adjustments (Prabheesh 2020).

The adjusted trial balance for Lima’s business, incorporating the noted adjustments, is as follows:

**Adjusted Trial Balance for Lima’s Business as of December 31, 2023**

|  |  |  |
| --- | --- | --- |
| **Account** | **Debit (£)** | **Credit (£)** |
| Capital |  | 12,000 |
| Cash | 61,680 |  |
| Trade creditors |  | 7,830 |
| Trade debtors | 3,200 |  |
| Wages and salaries | 5,800 |  |
| Rent | 11,920 |  |
| General Expenses | 3,500 |  |
| Insurance | 2,160 |  |
| Purchase | 28,000 |  |
| Sales |  | 69,270 |
| Telephone expenses | 7,500 |  |
| Bank loan |  | 20,000 |
| Interest expense | 1,600 |  |
| Car | 35,000 |  |
| Accumulated depreciation |  | 3,500 |
| Stock | 3,800 |  |
| Total | 164,160 | 164,160 |

Using this adjusted trial balance, we can prepare the Income Statement and the Statement of Financial Position.

**Income Statement for the Year Ended December 31, 2023**

|  |  |
| --- | --- |
| **Income Statement** | **£** |
| Sales | 69,270 |
| Cost of Sales | (24,200) |
| Gross Profit | 45,070 |
| Operating Expenses |  |
| - Wages and salaries | (5,800) |
| - Rent | (11,920) |
| - General expenses | (3,500) |
| - Insurance | (2,160) |
| - Telephone expenses | (7,500) |
| - Depreciation on car | (3,500) |
| - Interest expense | (1,600) |
| Net Profit | 9,090 |

**Statement of Financial Position as of December 31, 2023**

|  |  |
| --- | --- |
| **Balance Sheet** | **£** |
| Assets |  |
| Non-Current Assets |  |
| - Car (Net) | 31,500 |
| Current Assets |  |
| - Cash | 61,680 |
| - Trade debtors | 3,200 |
| - Stock | 3,800 |
| - Prepaid Insurance | 340 |
| Total Assets | 100,520 |
| Equity and Liabilities |  |
| Capital |  |
| - Owner's Equity | 21,090 |
| - Bank Loan | 20,000 |
| Current Liabilities |  |
| - Trade creditors | 7,830 |
| - Accrued Telephone expenses | 5,000 |
| Total Equity and Liabilities | 100,520 |

## 2.2 Financial Statements for Partnership: John Paul Partnership

John and Paul became business partners on 1st January 2019. For the purpose of preparing financial statements as of December 31, 2023, additional capital contributions, loans received from banks with interest, cash transfers received by the Ministry of finance, purchase of a depreciable car, as well as accrued expenses shall be adjusted (Robbins 2012).

The adjusted trial balance for the partnership, considering the adjustments, is:

**Adjusted Trial Balance for John Paul Partnership as of December 31, 2023**

|  |  |  |
| --- | --- | --- |
| **Account** | **Debit (£)** | **Credit (£)** |
| Capital: John |  | 6,000 |
| Capital: Paul |  | 6,000 |
| Cash | 56,680 |  |
| Trade creditors |  | 7,830 |
| Trade debtors | 3,200 |  |
| Wages and salaries | 5,800 |  |
| Rent | 11,920 |  |
| General Expenses | 3,500 |  |
| Insurance | 2,160 |  |
| Purchase | 28,000 |  |
| Sales |  | 69,270 |
| Telephone expenses | 7,500 |  |
| Bank loan |  | 20,000 |
| Interest expense | 1,600 |  |
| Car | 35,000 |  |
| Accumulated depreciation |  | 3,500 |
| Drawings: John | 1,200 |  |
| Interest on drawings |  | 60 |
| Stock | 3,800 |  |
| Total | 160,360 | 160,360 |

Using this adjusted trial balance, the partnership's Income Statement and Statement of Financial Position are prepared as follows:

**Income Statement for the Year Ended December 31, 2023**

|  |  |
| --- | --- |
| **Income Statement** | **£** |
| Sales | 69,270 |
| Cost of Sales | (24,200) |
| Gross Profit | 45,070 |
| Operating Expenses |  |
| - Wages and salaries | (5,800) |
| - Rent | (11,920) |
| - General expenses | (3,500) |
| - Insurance | (2,160) |
| - Telephone expenses | (7,500) |
| - Depreciation on car | (3,500) |
| - Interest expense | (1,600) |
| - Interest on drawings: John | (60) |
| Net Profit | 9,030 |

**Statement of Financial Position as of December 31, 2023**

|  |  |
| --- | --- |
| **Balance Sheet** | **£** |
| Assets |  |
| Non-Current Assets |  |
| - Car (Net) | 31,500 |
| Current Assets |  |
| - Cash | 56,680 |
| - Trade debtors | 3,200 |
| - Stock | 3,800 |
| - Prepaid Insurance | 340 |
| Total Assets | 95,520 |
| Equity and Liabilities |  |
| Partners' Equity |  |
| - Capital: John | 7,140 |
| - Capital: Paul | 6,000 |
| - Retained Earnings | 15,000 |
| - Bank Loan | 20,000 |
| Current Liabilities |  |
| - Trade creditors | 7,830 |
| - Accrued Telephone expenses | 5,000 |
| Total Equity and Liabilities | 95,520 |

## 2.3 Financial Statements for Not-for-Profit Organization: Bright Future

The organization named here is Bright Future and is a not-for-profit organization preparing its trial balance as on December 31, 2023. Those changes include depreciation of the motor vehicle and the accrued and prepaid expenses (Robbins 2012). To analyze the financial position of Bright Future the following accounts were compiled, an Income and Expense Account and the Statement of Financial Position.

**Income and Expense Account for the Year Ended December 31, 2023**

|  |  |
| --- | --- |
| **Income and Expense Account** | **£** |
| Fundraising Income | 53,120 |
| Expenses |  |
| - General expenses | (16,460) |
| - Insurance | (1,740) |
| - Staff cost | (25,000) |
| - Telephone expenses | (6,170) |
| - Depreciation on motor vehicle | (3,750) |
| Surplus/(Deficit) | 0 |

**Statement of Financial Position as of December 31, 2023**

|  |  |
| --- | --- |
| **Balance Sheet** | **£** |
| Assets |  |
| Non-Current Assets |  |
| - Motor Vehicle (Net) | 21,250 |
| Current Assets |  |
| - Cash | 1,347 |
| - Bank | 6,800 |
| - Prepaid Insurance | 760 |
| Total Assets | 30,157 |
| Equity and Liabilities |  |
| Accumulated Funds | 25,062 |
| Current Liabilities |  |
| - Creditors | 2,595 |
| - Accrued Telephone expenses | 2,500 |
| Total Equity and Liabilities | 30,157 |

These financial statements serve to demonstrate the ability of accounting principles in producing relevant and accurate reports necessary in the management fiscal operations in various types of entities.

# Section 3: Interpretation of Financial Statements

## 3.1 Financial Ratios for Lorrids Ltd

In order to compare Lorrids Ltd current position to its performance in the past and to the industry average we estimate the following ratios for the years 2022 and 2023 based on the financial statements given above. Such ratios are the gross profit margin, net profit margin, current ratio, acid test ratio and inventory days.

**1) Gross Profit Margin**

The gross profit margin measures the percentage of revenue that exceeds the cost of goods sold (COGS). It is calculated as follows:

Gross Profit Margin = (Gross Profit / Sales) × 100

For 2022:

Gross Profit Margin = (70,000 / 180,000) × 100 = 38.89%

For 2023:

Gross Profit Margin = (71,285 / 190,305) × 100 = 37.45%

**2) Net Profit Margin**

The net profit margin measures the percentage of revenue that remains as profit after all expenses. It is calculated as follows:

Net Profit Margin = (Net Profit / Sales) × 100

For 2022:

Net Profit Margin = (50,000 / 180,000) × 100 = 27.78%

For 2023:

Net Profit Margin = (47,875 / 190,305) × 100 = 25.16%

**3) Current Ratio**

The current ratio measures the company’s ability to cover its short-term obligations with its short-term assets. It is calculated as follows:

Current Ratio = Current Assets / Current Liabilities

For 2022:

Current Ratio = 55,200 / 6,000 = 9.20

For 2023:

Current Ratio = 48,000 / 17,020 = 2.82

**4) Acid Test Ratio**

The acid test ratio measures the company’s ability to meet short-term obligations without relying on the sale of inventory. It is calculated as follows:

Acid Test Ratio = (Current Assets - Inventory) / Current Liabilities

For 2022:

Acid Test Ratio = (55,200 - 20,000) / 6,000 = 5.87

For 2023:

Acid Test Ratio = (48,000 - 21,000) / 17,020 = 1.59

**5) Inventory Days**

Inventory days measure the average number of days inventory is held before it is sold. It is calculated as follows:

Inventory Days = (Inventory / Cost of Sales) × 365

For 2022:

Inventory Days = (20,000 / 110,000) × 365 = 66.36

For 2023:

Inventory Days = (21,000 / 119,020) × 365 = 64.41

## 3.2 Evaluation of Financial Performance

**Gross Profit Margin**

The gross profit margin of Lorrids Ltd reveals a slight declining trend from 38%. In 2022, the percentage is 89% to 37.45% in 2023. While this is a small decrease, it shows that there is a small rise in the cost of sales as a proportion of sales. For instance, the company has gross profit margins above the industry average of 25%, which indicates a good management of costs in relation to its revenues.

**Net Profit Margin**

As for the net profit margin, it also dropped from 27. In 2022, it was 78% and in other year it was 25.16% in 2023. This decline in profitability might have resulted from higher operating expenses as depicted by the increase in rent, electricity and wages and salaries. However, the gross profit has declined slightly, although the net profit margins are still above the industry average of 7%, indicating good overall profitability for Lorrids Ltd.

**Current Ratio**

The current ratio has reduced from 9.20 in 2022 to 2.82 in 2023, which is a significant decrease in liquidity. The decrease suggests that Lorrids Ltd might face challenges in meeting its short-term liabilities, especially when compared to the industry benchmark of 4:1. This suggests that there is a risk that the company is facing in the management of its cash flow that requires attention.

**Acid Test Ratio**

The acid test ratio reduced from 5.87 in 2022 to 1.59 in 2023. This decrease has a negative implication on the current ratio since the company’s quick assets cannot meet its current obligations without the sale of inventories. The acid test ratio is also below the acceptable industry standard of 3.50:1, which implies that there is need to improve working capital management.

**Inventory Days**

The inventory days are slightly better than before and it has reduced from 66.36 days in 2022 to 64.41 days in 2023. This improvement indicates that Lorrids Ltd is better placed in its management of inventory as it stands, which is close to the benchmark set at 65 days. Effective inventory management plays an important role in minimizing the cost of holding inventory and improving the company’s cash position.

## 3.3 Justified Adjustments and Conclusions

Lorrids Ltd has shown good profitability from the financial ratio analysis but has problems in regard to liquidity. The company possesses high gross and net profit margins, which are notably above average for the industry. On the other hand, a significant reduction in current and acid test ratios may be indicative of liquidity problems that need to be solved to keep the firm afloat. Some of the possible solutions include paying more attention to accounts receivables, requesting better credit term from its suppliers, and strictly monitoring its inventory. Further, cost control measures should be adopted so that the operating expenses do not go up further leading to more and more losses (Singh 2020). Thus, presumably high and growing profitability of Lorrids Ltd, good working capital management is important to remain financially healthy and to improve a ground for the following development. Applying all of the above solutions will assist the company to perform efficient management of the available resources in order to meet the laid down objectives of the firm.

# Section 4: Justification of Budgetary Control Solutions

Budgetary control solutions play a crucial role in ensuring the efficient management of financial resources and the attainment of organizational objectives. In this section, we delve deeper into the benefits and limitations of budgets and budgetary planning, prepare a comprehensive cash budget for Fortune Ltd, and provide justified budgetary control solutions tailored to address the company's specific needs and challenges.

## 4.1 Benefits and Limitations of Budgets and Budgetary Planning

**Benefits:**

**1. Financial Discipline:** Budgets help maintain financial discipline within an organization since it provides the financial framework in terms of limits and goals to be met. They give a clear framework for controlling resources, directing the expenditures and keeping records of accounts for every level.

**2. Performance Evaluation:** Budgets act as a means by which actual performance can be compared with the set planned targets. Budgets therefore help an organisation to compare actual performance and planned performance and as a result variances maybe detected, the root cause maybe studied and appropriate action taken to ensure better performance in the future (Wang et al. 2022).

**3. Resource Allocation:** Budgets ensure rational distribution of resources through providing a guide to the amount and timing of the expenditure that should be incurred for the realization for organizational goals and strategic plans. They assist the management in the proper distribution of funds within the company in ways likely to yield the most profits or make the best contribution towards the success of the organization.

**4. Coordination and Communication:** Budgets also act as a medium of conveying information and bringing together different stakeholder groups into a common platform within an organization. They offer benchmarks that people can use to set objectives, plan activities, and guarantee that everyone is working towards the organizational objectives.

**Limitations:**

**1. Time-Consuming:** Budgeting is a complex process that might require a great amount of time and resources to collect relevant data, prepare the necessary forecasts, and coordinate all the information shared by different users. This can take executives’ attention away from other key organizational responsibilities and managerial functions.

**2. Rigidities:** The limitation is that budgets may overemphasize financial constraints and become rigid, especially in a dynamic environment. Eternal budget plans eliminate flexibility, meaning that certain changes in the market environment, new opportunities, or threats may lead to mismanagement and inefficiency at the organizational level (Yoshino, Taghizadeh-Hesary & Otsuka 2021).

**3. Inaccuracies:** There are certain inherent problems with budgets that arise due to the fact that the budget is based on assumptions, estimates and even past records. Some of the foreseeable problems include; Forecast errors or changes in the assumptions used in developing the budgets, cause variances between the budgeted and the actual resource allocation hinder proper planning and control of financial resources.

**4. Resistance to Change:** Budgets can sometimes encounter resistance from employees who perceive them as overly restrictive or unrealistic. Budgetary targets that are perceived as unattainable or unfair may demotivate staff, undermine morale, and hinder their willingness to actively participate in budgetary planning and execution processes.

## 4.2 Preparation of Cash Budget for Fortune Ltd

To prepare Fortune Ltd.'s cash budget for the three months ending on 30th June 2024, we need to project the expected cash inflows and outflows for April, May, and June 2024.

**Cash Budget for Fortune Ltd**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Details** | **April 2024** | **May 2024** | **June 2024** | **Total** |
| **Cash Inflows** |  |  |  |  |
| Sales | 5,320 | 6,805 | 7,320 | 19,445 |
| Total Cash Inflows | 5,320 | 6,805 | 7,320 | 19,445 |
| **Cash Outflows** |  |  |  |  |
| Purchases | (3,230) | (2,420) | (3,720) | (9,370) |
| Rent | (1,000) | (1,000) | (1,000) | (3,000) |
| Part-time Staff | (700) | (700) | (700) | (2,100) |
| Drawings | (750) | (750) | (750) | (2,250) |
| Total Cash Outflows | (5,680) | (4,870) | (6,170) | (16,720) |
| **Net Cash Flow** | (360) | 1,935 | 1,150 | 2,725 |
| **Opening Balance** | (2,800) | (3,160) | (1,225) |  |
| **Closing Balance** | (3,160) | (1,225) | (75) |  |

In order to prepare the cash budget of Fortune Ltd. for the three months ending on the 30th of June 2024, we estimated the following potential gross cash receipts for the three months of April, May, and June 2024 with £5,320, £6,805 and £7,320 respectively in total £19,445 The outgoings comprise of the purchases, rent, wages for the part-time staff and owner. The purchases were expected to be £3,230 for April, £2,420 for May and £3,720 for June which would amount to £9,370. The outgoing on rent $12,000 per annum was deductible on monthly basis in the amount of $1,000. The wages for the part-time employees was maintained at £ 700 per month while for the owner’s drawings it was £ 750 per month. It identified how the £2,800 overdraft on 31st March 2024 could have been controlled for the three months following that date through the understanding of the cash budget. As for the overdrawn balance, it was expected that by the end of June 2024, such out-standing amount would be lowered to £75 only, which proved to the bank manager an ability to get rid of it within this period of time. This statistical cash budget gives probable cash status of the Fortune Ltd. and shows the plan to avoid the overdrawn position; therefore, ensures Sound Proffering and Management.

## 4.3 Justification of Budgetary Control Solutions

Based on the prepared cash budget and the unique circumstances facing Fortune Ltd, the following budgetary control solutions are justified:

**1. Tightening Credit Policies:** Since Fortune Ltd will record an overdrawn balance in March 2024, he should implement stringent credit policies to compel customers to pay on time. It may comprise crediting checks on the new customers, credit ceiling, or instant follow-up on the delayed payments to increase cash receipts.

**2. Negotiating Supplier Terms:** This implies that Fortune Ltd should look for ways of requesting its suppliers to offer it better credit terms. This way, the company can achieve greater control of cash spending by having better matching of payment terms with the cash receipts in form of extending credit time or allowing for instalment payments.

**3. Cost Reduction Initiatives:** It is recommended they apply cost cutting strategies to reduce their operating costs and save cash since the company is Fortune Ltd. Among these may be energy conservation measures, changing of lease agreements on office space or equipment, efficient ways of purchasing aiming at a lower cost, and eradication of avoidable or discretionary expenditures (Zhang et al. 2022).

**4. Monitoring Cash Flow:** Another critical area is managing and controlling cash in terms of inflow and outflow that make it necessary to have a strong cash flow monitoring system. Fortune Ltd should develop a record of actual and projected cash receipts and disbursement for cash, compare the actual and projected to see any discrepancies and fix it. This strategic action helps managers to resolve issues related to liquidity before they become a problem and make adequate decisions regarding the sources of funds.

These budgetary control solutions indicate that Fortune Ltd may benefit greatly from the improvement of its financial strategies and the reduction of its liquidity risks, which will ultimately lead to its long-term success. These solutions are general in nature but are developed to suit the need of the company and its problems in the right management of the financial resources for implementing organizational goals and objectives (Folqué, Escrig‐Olmedo & Corzo Santamaria 2021).

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