
➤ TREND ANALYSIS

➤ FINANCIAL STATEMENTS

➤ EXCEL

Financial Statements

Financial statements are summarized data of a company's assets, liabilities, and equities (on the Balance Sheet) and its revenue and expenses (on the Income Statement).

Financial statements provide a snapshot of a company's financial health at a point in time. Analyzing this data can help draw conclusions about the financial condition of the company.

Trend Analysis

Trend Analysis is a technique that helps evaluate the trend in the accounts over time (ex: yearly or quarters depending on the circumstances)

Visualizing your Revenue and Expenses is important.

Graphs are useful tools to understand your data and see patterns.

Changes are typically measured in dollar amount and percentages.

When evaluating a company's performance, it is important to show both the dollar amount of change and the percentage of change (as shown here), because either one alone can be misleading.

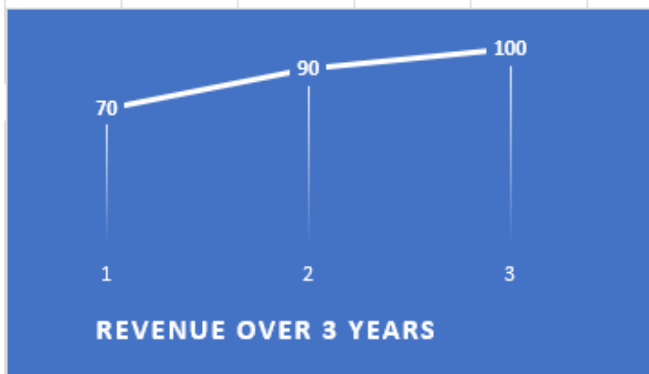
Time Changes

"Everything changes; the variable is time."

Trend Analysis of Income Statements

B5	Dec 31 each year. Units in \$1000s							
	A	B	C	D	E	F	G	H
		Year	Year	Year	\$ Change		% Change	
		2016	2015	2014	2016-2015	2015-2014	2016-2015	2015-2014
7	REVENUE (Sales)	100	90	70	=B9-C9	=C9-D9	=(B9-C9)/C9	=(C9-D9)/D9
9	Sales returns and allowances	19	8	5	=B10-C10	=C10-D10	=(B10-C10)/C10	=(C10-D10)/D10
11	Net Sales (=Sales - returns)	=B9-B10	=C9-C10	=D9-D10	=B11-C11	=C11-D11	=(B11-C11)/C11	=(C11-D11)/D11
12								
13	COGS (Cost Of Goods Sold)	42	38	25	=B13-C13	=C13-D13	=(B13-C13)/C13	=(C13-D13)/D13
14	Gross Profit (=Net Sales - COGS)	=B11-B13	=C11-C13	=D11-D13	=B14-C14	=C14-D14	=(B14-C14)/C14	=(C14-D14)/D14
15								
16	EXPENSES (Operations)							
17	- Operating Expenses	10	12	8	=B17-C17	=C17-D17	=(B17-C17)/C17	=(C17-D17)/D17
18	- General Expenses	4	7	4	=B18-C18	=C18-D18	=(B18-C18)/C18	=(C18-D18)/D18
19	Total Expenses (from Operations)	=B17+B18	=C17+C18	=D17+D18	=B19-C19	=C19-D19	=(B19-C19)/C19	=(C19-D19)/D19
20								
21	INCOME							
22	- Operating Income (= Net Sales - COGS - Total Expenses)	=B14-B19	=C14-C19	=D14-D19	=B22-C22	=C22-D22	=(B22-C22)/C22	=(C22-D22)/D22
23	- Nonoperating Income	3	0	1	=B23-C23	=C23-D23	-	=(C23-D23)/D23
24	Total Income (EBIT) (Earnings Before Interest Expenses & Taxes)	=B22+B23	=C22+C23	=D22+D23	=B24-C24	=C24-D24	=(B24-C24)/C24	=(C24-D24)/D24
25	Interest expense (on borrowed money)	2	2	2	=B25-C25	=C25-D25	=(B25-C25)/C25	=(C25-D25)/D25
26	(Total) Income Before Taxes	=B24-B25	=C24-C25	=D24-D25	=B26-C26	=C26-D26	=(B26-C26)/C26	=(C26-D26)/D26
27	Income taxes (40%)	=B26*0.4	=C26*0.4	=D26*0.4	=B27-C27	=C27-D27	=(B27-C27)/C27	=(C27-D27)/D27
28	NET INCOME	=B26-B27	=C26-C27	=D26-D27	=B28-C28	=C28-D28	=(B28-C28)/C28	=(C28-D28)/D28
29								
30								
31	(EPS) Earnings per share (4500 shares)	=B28/4500*1000	=C28/4500*1000	=D28/4500*1000	=B31-C31	=C31-D31	=(B31-C31)/C31	=(C31-D31)/D31
32	Retained Earnings (= Net Income - Dividends)	3.96	3	2	=B32-C32	=C32-D32	=(B32-C32)/C32	=(C32-D32)/D32

Trends in Revenue and Expenses on the Income Statements in units of \$1000



Trend Analysis Of Balance Sheet

F38								
	A	B	C	D	E	F	G	H
5		Dec 31 each year. Units in \$1000s						
6								
7		Year	Year	Year	\$ Change	% Change		
8	ASSETS:	2016	2015	2014	2016-2015	2015-2014	2016-2015	2015-2014
9	Current Assets (that can sell within a year):							
10	Cash & Cash Equivalents	30	17	10	=B10-C10	=C10-D10	=(B10-C10)/C10	=(C10-D10)/D10
11	Accounts receivable	20	5	2	=B11-C11	=C11-D11	=(B11-C11)/C11	=(C11-D11)/D11
12	Marketable securities	20	5	1	=B12-C12	=C12-D12	=(B12-C12)/C12	=(C12-D12)/D12
13	Inventory	50	2	1	=B13-C13	=C13-D13	=(B13-C13)/C13	=(C13-D13)/D13
14	Total Current Assets	=SUM(B10:B13)	=SUM(C10:C13)	=SUM(D10:D13)	=SUM(E10:E13)	=SUM(F10:F13)	=SUM(G10:G13)	=SUM(H10:H13)
15	Plant assets (machinery)	50.36	40	17	=B15-C15	=C15-D15	=(B15-C15)/C15	=(C15-D15)/D15
16	TOTAL ASSETS	=SUM(B14:B15)	=SUM(C14:C15)	=SUM(D14:D15)	=B16-C16	=C16-D16	=(B16-C16)/C16	=(C16-D16)/D16
17								
18	LIABILITIES							
19	Current liabilities	55.4	30	10	=B19-C19	=C19-D19	=(B19-C19)/C19	=(C19-D19)/D19
20	Long-term liabilities	78	2	1	=B20-C20	=C20-D20	=(B20-C20)/C20	=(C20-D20)/D20
21	TOTAL LIABILITIES	=SUM(B19:B20)	=SUM(C19:C20)	=SUM(D19:D20)	=B21-C21	=C21-D21	=(B21-C21)/C21	=(C21-D21)/D21
22								
23	STOCKHOLDERS EQUITY							
24	Common stock (stockholders capital) value, 4500 shares (=10*4500)	\$10 par 33	34	5	=B24-C24	=C24-D24	=(B24-C24)/C24	=(C24-D24)/D24
25	Retained earnings	3.96	3	2	=B25-C25	=C25-D25	=(B25-C25)/C25	=(C25-D25)/D25
26	TOTAL STOCKHOLDERS EQUITY	=SUM(B24:B25)	=SUM(C24:C25)	=SUM(D24:D25)	=SUM(E24:E25)	=SUM(F24:F25)	=(B26-C26)/C26	=(C26-D26)/D26
27								
28	TOTAL LIABILITIES & EQUITY	=B21+B26	=C21+C26	=D21+D26	=B28-C28	=C28-D28	=(B28-C28)/C28	=(C28-D28)/D28
29								
30								
31								
32	ACCOUNTING EQUATION:							
33	ASSETS = LIABILITIES + EQUITY							

Trends in Assets, Liabilities and Equities on the Balance Sheet
in units of \$1000

