

# Fixed Assets and Inventory Analysis with Reference to Ford India Private Limited

R. Ramamoorthy, Indumathi, Velvizhi R

**Abstract:** Fixed Assets are the benefits held with the goal of being utilized on persistent reason for the purpose of delivering or giving products or benefits and are not held for resale in the typical course of business. Valuation of fixed resources is critical to have reasonable proportion of benefit or misfortune and financial position of the worry and is intended to be for more years. [1],[ 3],[5]

Extent assessment is the connection of subtleties in the spending outlines of a business. Extent assessment is used to survey different issues with a component, for instance, its liquidity, profitability of exercises, and advantage. It is profitable particularly to process the Trend line. This assessment in like manner contains design examination. [2],[ 4],[6]

Stock proportionality is the goal of intrigue driven stock organization. The fundamental perfect outcome is to have a comparative number of long stretches of stock accessible over all things with the objective that the period of miss the mark on all things would be synchronous. The discretionary goal of stock proportionality is stock minimization. [7],[ 9],[11]

Through coordinating exact interest estimating with stock administration, replenishment inventories can be planned to arrive in the nick of time to renew the item bound to run out first, while simultaneously offsetting the stock supply of all items to make their inventories progressively corresponding, and in this way closer to accomplishing the essential objective.

The EOQ done in this venture demonstrates the degree of inventories that is utilized for creation and the estimation of the inventories. The ABC approach expresses that, when checking on stock, an organization should rate things from A to C, putting together its evaluations depending with respect to specific principles. This is additionally clarified in the Data Analysis area of this task. [19],[21],[23]

**Keywords :** trademarks, copyright, firm

## I. INTRODUCTION

Fixed asset is a whole deal some segment of a property that the association has and utilizes in the age of its pay and isn't anticipated that would be eaten up or used into cash in coming years. It is a thing with a supportive life more essential than one enumerating period, and which outperforms a substance's base capitalization limit. These are

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furthermore known as Capital assets that are those points of interest picked up to carry on the matter of an association with a genuine presence outperforming one year. Models include: land, structures, vehicles, contraptions, equipment, PC hardware, gear, etc. The term 'Fixed Asset' is usually used to portray significant fixed assets. This suggests they have a physical substance not in the least like insignificant assets which have no physical nearness, for instance, copyright and trademarks. [8],[ 10],[12]

Theorists and credit supervisors use these reports to choose an association's budgetary prosperity and to pick whether to buy shares in or advance money to the business. Since an association may use an extent of recognized systems for narrative, downgrading, and disposing of its points of interest, specialists need to mull over the notes on the organization's financial statements to find how the numbers were settled.

Capital Intensive: Businesses that have a high proportion of capital expenses to work expenses are known as that may be, they require an enormous budgetary interest in capital resources for produce merchandise or administrations. Instances of capital serious enterprises incorporate mining, cultivating, carriers, oil and gas, angling, and so forth. [13],[ 15],[ 17]

Fixed resources are especially critical to capitalintensive enterprises, for example, producing, that require huge interests in PP&E. At the point when a business is detailing relentlessly negative net money streams for the buy of fixed resources, this could be a solid pointer that the firm is in development mode. [14],[ 16],[ 18]

Fixed resources are typically expected to be utilized for more than one bookkeeping period which is the reason they are a piece of Non-Current Assets of the substance. Financial advantages from fixed resources are in this manner determined in the long haul. [20],[ 22],[ 24]

## II. OBJECTIVES

### A. Primary Objective

To study on the overall fixed assets and inventory analyses of Ford India Pvt Ltd.

### B. Secondary Objectives:

- To comprehend the different monetary elements of the organization.
- To study on the fixed resources.
- To know the organization's stock administration process.

- To comprehend the significance of assessing the organization's fixed resources.
- To dissect the stock and cost control proportions of the organization.

**III. METHODS OF DATA COLLECTION**

**A. PRIMARY DATA COLLECTION**

This investigation depends on the essential information. Essential information is the subtleties that is gathered physically, here in the money division of CVEP (Ford) the procedure of confirmation is finished. We physically proceed to check whether the inventories are appropriately handled for creation. Any deformities, flaws, missing inventories will be noted for further explanation, after which it will be refreshed methodically. This process is done mainly to: To guarantee that the supply of crude material and completed cooperative attitude stay nonstop so procedure isn't going and requests of clients are properly met. [25],[27],[29]

**B. SECONDARY DATA COLLECTION**

Optional information is gathered by the accessibility, it incorporates Inventory Data, Balance Sheet, Annual Reports, Books and Journals. What's more, some are gathered from the organization site. [26],[28],[30]

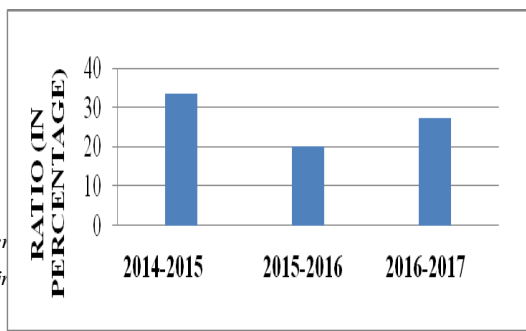
**C. SAMPLING METHOD**

This examination depends on Convenience inspecting strategy under the Non likelihood testing procedure. In this technique the information is gathered straightforwardly relying upon the accessibility of information that incorporates archives and records, for example, analyzing existing information as databases, money related manual, meeting minutes, reports, logs, budgetary records, pamphlets, and so on. [31],[33],[32]

**IV. DATA ANALYSIS AND INTERPRETATION**

**Table:1 RAW MATERIALS**

YEAR	AMOUNT OF RAW MATERIAL (in millions)
2013	3613
2014	3822
2015	4005
2016	3843
2017	4397



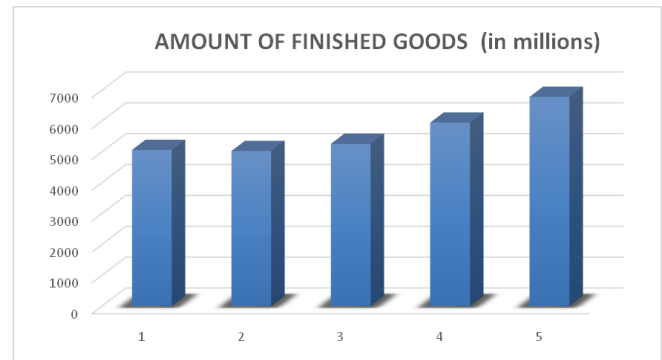
**Fig:1 Raw material**

**FINISHED GOODS:**

These are the carrying amount as of the balance sheet date of merchandise or goods held by the company that are readily available for sale.

**Table:2 Finished Goods**

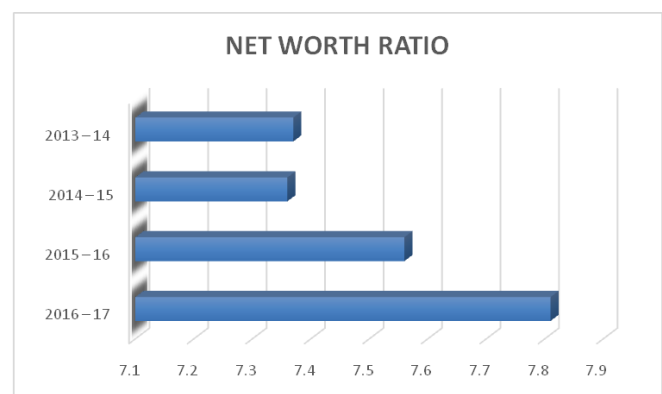
YEAR	AMOUNT OF FINISHED GOODS (in millions)
2013	5058
2014	5022
2015	5254
2016	5943
2017	6779



**Fig:2 Finished goods**

**Table :3 Ratio Analysis**

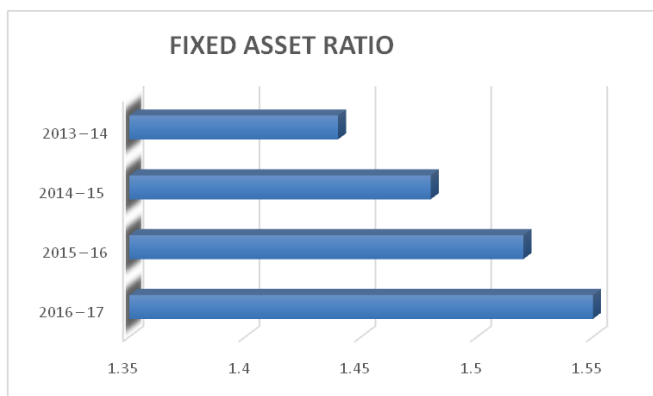
YEAR	NET FIXED ASSET	NET WORTH	RATIO %
2016 – 17	228928	29283	7.81
2015 – 16	216932	28751	7.56
2014 – 15	210546	28590	7.36
2013 – 14	204075	27685	7.37



**Fig:3 Net Worth Ratio**

**Table:4 Fixed Asset Ratio**

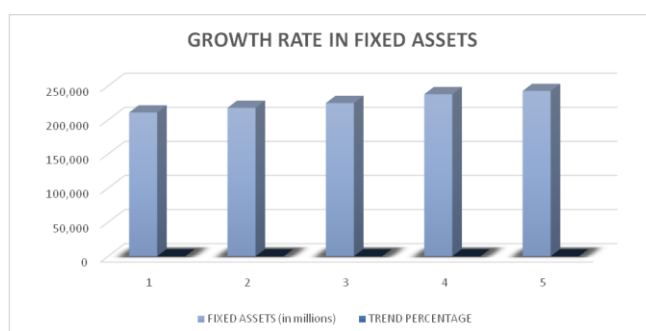
YEAR	NET FIXED ASSET	CAPITAL EMPLOYED	RATIO %
2016-17	228928	147670	1.55
2015-16	216932	142589	1.52
2014-15	210932	142510	1.48
2013-14	204075	142085	1.44



**Fig:4 Fixed Asset Ratio**

**Table:6 GROWTH RATE IN FIXED ASSETS**

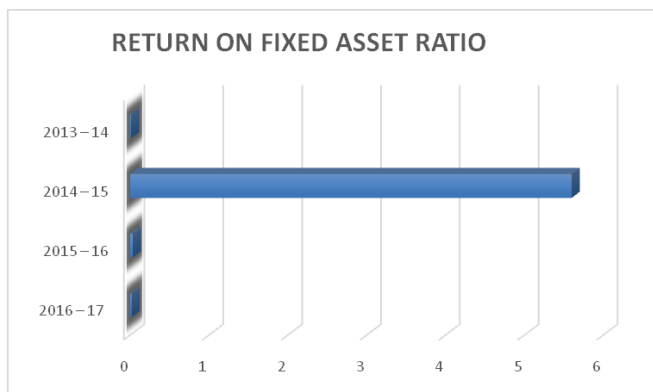
YEAR	FIXED ASSETS (in millions)	PERCENTAGE
2012 - 2013	211,017	100
2013 - 2014	217,931	103.2765133
2014 - 2015	224,925	106.5909382
2015 - 2016	237,951	112.7639005
2016 - 2017	242,724	115.0258036



**Fig:6 GROWTH RATE IN FIXED ASSETS**

**Table :5 RETURN ON FIXED ASSETS (ROA)**

YEAR	PROFIT AFTER TAX	TOTAL ASSETS	RATIO %
2016-17	4607	237951	0.019
2015-16	7371	224925	0.032
2014-15	1230	217931	5.6
2013-14	2451	211017	0.011



**Fig:5 RETURN ON FIXED ASSETS (ROA)**

**INVENTORY ANALYSIS**

DURING THE PERIOD: DECEMBER 2012 – 2013

The company requires the below given amount of raw materials of aluminium coils for the production of around 12,000 cars per month.

**Table:7**

PARTICULARS	
Quantity	1,765,100 kg
Ordering cost per order	1,86,000
Purchase price Per unit	152
Carrying cost	10%

## V.RESULTS

- There is an expanding development in the benefits of the organization for as long as five years.
- The EOQ determined is proposing that the organization ought to acquire its stock prerequisites by setting orders habitually to its providers.
- From the EOQ, the all out yearly expense of the organization during the years 2013 – 14 and 2015 – 16 where practically same while, the year 2014 – 15 demonstrated a climb.
- The ABC investigation demonstrates the ordered estimations of the things, from which the inventories can be overseen well.
- The most reduced utilization esteem "C" has the rate estimation of 1%.
- The organization has many sub divisions in the Department of "Money" that gives more proficiency and profitability.
- Regular cycle checks are finished by the MP&L group that are additionally confirmed by account office.
- Inventories are appropriately checked at specific timespans.
- Internal control and review goes about as a different division.
- The Inventory reviews and checks are done physically at the regarded stages.
- Scrap is being checked routinely and the procedure is finished in each 31 days.

## VI. DISCUSSION

Maintaining exceptional resource data by monitoring their area utilization caretaker, support and protection could build their profitability all the more proficiently.

- Group fixed resource must be under \$100000, of which life ought to be more prominent than 1 year.
- Low cost fixed resource might be gotten mass.
- Special devices for sellers are really claimed by Ford that are at merchant's area are not confirmed subsequently periodical confirmation should be possible that will profit in holding resources.
- Retention of benefit confirmation are held under records at any rate for a long time. Every year the records are refreshed by the specific record's time span of usability.

## VII. CONCLUSION

The Company's generally speaking fixed resource the executives of the organization has all the earmarks of being more than attractive. It is achieving the objectives towards progress. The money office plays out the accompanying capacities to keep fixed resources very much kept up.

When an advantage is bought and recorded, it is followed. All the fixed resources are for all time tagged with a fixed resource label that contains a sequential number. The number ought to compare to a log book or the fixed resource module (the auxiliary record) of the bookkeeping framework.

Each fixed resource's physical area is archived and any moves inside or outside the office are recorded. Any deals, new acquisitions, or rescues are likewise be recorded to guarantee repaired resource stock is to date.

The financial request amount and the reorder point, upgraded the request amount for every item when a request is put, diminishing the organization's item stock out issue Inventory the executives must be accomplished for keeping exact records of merchandise that are prepared for creation. The organization gathers the cycle check data and procedure it methodically to look after records. To know the genuine inventories that are accessible for creation. Stock administration is significant for holding cost down, while meeting guideline. Free market activity is a sensitive parity and this stock administration plans to guarantee that the parity is undisturbed.

The EOQ model guides the organization in anticipating all the more precisely as indicated by every item and their interest practices. Alongside the anticipating model, the financial request amount enables the organization to enhance each request and diminish the absolute expense. The ABC examination demonstrates the rate estimation of the materials that can be classified by the interest and the expense of the things. Thus, the organization would guarantee enough inventories are accessible for creation.

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