Profitability Analysis of Welcome Engineers

J Pavithra, K. Venkatraman, Rajesh .S

Abstract: A fundamental impediment of the customary budget report containing the asset report and the benefit and misfortune record is that they don't give all the data identified with the budgetary tasks of a firm. They give some incredibly helpful data to the degree that the monetary record reflects the money related position on a specific information as far as the structure of benefits, liabilities and proprietors' value, etc and the benefit and misfortune record demonstrates the after effects of activities during a specific timeframe as far as the incomes got and the expense in curried during the year the budget summaries give a perspective on the budgetary position the tasks of a firm. The focal point of budgetary position is on key figures in the fiscal reports and the huge relationship that exists between them the investigation of fiscal reports to acquire a superior comprehension of the inflexible stance's and execution, money related position is the procedure of choice, connection and assessment. A fiscal summary is an accumulation of information which is sensibly and reliably composed by bookkeeping standards a comprehension of some budgetary parts of a business firm. It might demonstrate a situation at a minute in time, as on account of a monetary record or may uncover a progression of exercises over a given timeframe as on account of a pay articulation.

Keywords: Asset Report, Budgetary Task, Timeframe

I. INTRODUCTION

Budget reports allude to such articulations which contains financialinformation about a venture. They report benefit and the budgetary position of the business toward the finish of the bookkeeping period[1],[3],[5]. The group budget summary incorporates in any event two explanations which he bookkeeper plans toward the finish of a bookkeeping period. The two articulations are:

1. The Balance Sheet
2. Profit And Loss Account
3. Financial proclamation give some amazingly helpful data to the degree that monetary record reflects the budgetary position on a specific date as far as the structure of benefits, liabilities and proprietor value, etc and the Profit And Loss record demonstrates the aftereffects of activities during a specific timeframe as far as the incomes acquire and the cost brought about during the year[2],[4],[6]

In this manner the fiscal summary gives a condensed perspective on budgetary positions.

Revised Manuscript Received on July 22, 2019

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A. Meaning of Financial Analysis

The main undertaking of money related examination is to choose the data applicable to the decision under thought to the absolute data contained in the financial articulation. The subsequent advance is to mastermind the data in a manner to feature critical relationship. The last advance is elucidation and reaching of induction and determinations. Budget summary is the procedure of determination, connection and assessment[7],[9],[11].

B. Features of Financial Analysis

- To present an intricate information contained in the budget report in straightforward and reasonable structure.
- To order the things contained in the fiscal report in helpful and discerning gatherings.

C. Purpose Of Analysis Of Financial Statements

- To know the winning limit or gainfulness.
- To know the dissolvability.
- To know the money related qualities.
- To know the ability of installment of intrigue and profits.
- To make near investigation with different firms.
- To know the pattern of business.

D. Procedure Of Financial Statement Analysis

The following procedure is adopted for the analysis and interpretation of financial statements:-
- The expert ought to familiarize himself with standards and proposed of bookkeeping. He should know the plans and arrangements of the administration with the goal that he might almost certainly see if these plans are appropriately executed or not.
- The degree of examination ought to be resolved with the goal that the circle of work might be chosen. On the off chance that the point is discover. Procuring limit of the endeavor then investigation of salary explanation will be embraced. Then again, in the event that monetary position is to be examined, at that point accounting report examination will be important.
- It will include the gathering comparable information under same heads. Separating of individual parts of proclamation as per nature. The information is diminished to a standard structure.
- A relationship is built up among budget summaries with the assistance of apparatuses and procedures of investigation, for example, proportions, patterns, regular size, support stream and so on.
II. OBJECTIVES

• To discussed the financial proportion estimation and investigation.
• To examine National Bank exchanging late years
• To measure gainfulness, liquidity and credit the board of National Bank
• To demonstrate the budgetary security examination comprises of (productivity and liquidity).
• To examine the monetary record and salary proclamation
• To utilizing budgetary proportion investigation (FRA strategy).
• And to know by and large Bank money related execution condition.

III. RESEARCH METHODOLOGY

A. Research Design

Research philosophy is logical and orderly quest for relevant data on a particular point. Research strategy is an approach to efficiently take care of the exploration issue. It is the calculated structure inside which the exploration is directed. It encourages the scientist to know the criteria which they can choose that specific strategy and methodology will be pertinent to certain issue and other won't[8],[10],[12].

Distinct research configuration is utilized as a structure or diagram for directing the exploration venture. It indicates the subtleties of the strategies essential for getting the data expected to structure and additionally solver search issues. A decent research configuration establishes the framework for leading the venture. A decent research configuration will guarantee that the examination task is directed adequately and effectively. Normally, an examination configuration includes the accompanying parts, or undertakings

IV. DATA ANALYSIS AND INTERPRETATION

A. Liquidity Ratios

• Current Ratio
• Quick Ratio
• Fixed Assets Turnover Ratio
• Current Assets to Fixed Assets

Table – 1 Current Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Current Assets</th>
<th>Current Liabilities</th>
<th>Current Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>396.88</td>
<td>215.93</td>
<td>1.84</td>
</tr>
<tr>
<td>2014</td>
<td>352.23</td>
<td>166.23</td>
<td>2.12</td>
</tr>
<tr>
<td>2015</td>
<td>360.33</td>
<td>218.74</td>
<td>1.65</td>
</tr>
<tr>
<td>2016</td>
<td>379.18</td>
<td>211.98</td>
<td>1.79</td>
</tr>
<tr>
<td>2017</td>
<td>400.16</td>
<td>250.68</td>
<td>1.60</td>
</tr>
</tbody>
</table>
Table – 4 Current Assets to Fixed Asset Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Current Assets</th>
<th>Fixed Assets</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>396.88</td>
<td>234.82</td>
<td>1.69</td>
</tr>
<tr>
<td>2014</td>
<td>352.25</td>
<td>310.49</td>
<td>1.13</td>
</tr>
<tr>
<td>2015</td>
<td>360.33</td>
<td>303.80</td>
<td>1.19</td>
</tr>
<tr>
<td>2016</td>
<td>379.18</td>
<td>274.57</td>
<td>1.38</td>
</tr>
<tr>
<td>2017</td>
<td>400.16</td>
<td>263.72</td>
<td>1.52</td>
</tr>
</tbody>
</table>

Figure – 4 Current Assets to Fixed Asset Ratio

Table – 5 Debt to Equity Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Debt</th>
<th>Net worth</th>
<th>Debt to Equity Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>192.03</td>
<td>223.11</td>
<td>0.86</td>
</tr>
<tr>
<td>2014</td>
<td>256.59</td>
<td>239.52</td>
<td>1.07</td>
</tr>
<tr>
<td>2015</td>
<td>338.32</td>
<td>106.37</td>
<td>3.18</td>
</tr>
<tr>
<td>2016</td>
<td>324.21</td>
<td>117.31</td>
<td>2.76</td>
</tr>
<tr>
<td>2017</td>
<td>329.54</td>
<td>83.92</td>
<td>3.93</td>
</tr>
</tbody>
</table>

Figure – 5 Debt to Equity Ratio

Table - 6 Common-Size Balance Sheet Of Welcome Engineers For The Year 2014 And 2015

Figure – 6 Common-Size Balance Sheet Of Welcome Engineers For The Year 2014 And 2015

Table – 7 Common-Size Balance Sheet Of Welcome Engineers For The Year 2015 And 2016
Profitability Analysis of Welcome Engineers

Table 8 - Common-Size Balance Sheet Of Welcome Engineers For The Year 2016 And 2017

Table 9 - Trend Analysis Of Selling And Admin Expenses
Table 9 - For the Forthcoming Years (2015 To 2017)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>FUTURE TREND (Trend value - B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>74.68</td>
</tr>
<tr>
<td>2014</td>
<td>73.67</td>
</tr>
<tr>
<td>2015</td>
<td>71.26</td>
</tr>
<tr>
<td>2016</td>
<td>69.35</td>
</tr>
<tr>
<td>2017</td>
<td>68.24</td>
</tr>
</tbody>
</table>

V. RESULTS

- It can be seen that there is fluctuating pattern during the examination time frame. In the year 2014, it expanded to 2.12 from 1.84. It diminished to 1.65 in the year 2015 and it finds a slight ascent to 1.79 in the year 2016. In the year 2017 it again diminished to 1.60. The administration should take medicinal measures to improve the present position.

- In the year 2014 it expanded to 1.44 from 1.21 of 2013. The above diagram it very well may be seen that there is fluctuating pattern during the investigation time frame. In the year 2016 it expanded to 1.35 and falls again to 1.08 in 2017.

- It can be seen that there is fluctuating pattern during the examination time frame. In the year 2013 and 2014 it was in its pinnacle of 3.55 and 2.77 and falls profound to 2.21 in 2015 and there on it is expanded and recovered its underlying level.

- Current Assets expanded because of the expansion in the Sundry Debtors and the net fixed resources of the firm are diminished because of the charge of deterioration and there is no real addition in the fixed resources. The augmentation in current resources and the lessening in fixed resources came about on expanded in the proportion contrasted and the earlier year[13], [15],[17].

- The obligation value proportion demonstrates a development from 0.86 in 2013 to 3.18 in 2015; in 2016 found a little decay and again rose to 3.93. This demonstrates a negative sign and the organization ought to limit the buys of stock or fixed resources in future years.

- The Debt to resources proportion was observed to be in a decent rate in 2013 and 2014 which is underneath half, yet there after in the fourth coming years, it expanded. This demonstrates a conceivable abuse of influence, and it might show potential issues meeting the obligation installments[14],[16], [18].

- The obligation to value proportion is observed to be in a superior rate in the year 2013 yet abruptly falls steeply to 1.58 in 2014 and 0.18 in 2015. This was extremely an emergency period yet some way or another figured out how to increment to 2.76 and 1.46 in 2016 and 2017 individually. It's an unmistakable sign that the organization's money related hazard is expanding.

- Operating proportion for the years 2013, 2014, 2015, 2016 and 2017 bit by bit diminished from 0.11 to 0.03

VI. DISCUSSIONS

- After the investigation of Financial Statements, the organization status is better, on the grounds that the Net working capital of the organization is multiplied from the most recent year's position[19],[21],[23].

- The organization benefits are immense in the present year; it is smarter to announce the profit to partners.

- The organization is using the fixed resources, which significantly help to the development of the association. The organization ought to keep up that impeccably.

- The organization fixed stores are raised from the commencement, it gives the other salary i.e., Interest on fixed stores.

- Steps must be taken to expand the present resource position of the firm in order to improve the liquidity position of the firm.

- Percentage of obligation to value can be diminished to lessen the money related
VI. CONCLUSION

The organization’s general position is at a decent position. Especially the present year’s position is well because of raise in the benefit level from the most recent year position.

It is better for the association to enhance the assets to various areas in the present market situation[25],[27],[29].

Welcome Engineers is demonstrating changes in its benefit position from the previous 5 years, which is closed with the budget report investigation.

The earlier year resources were likewise expanded yet its working capital position was diminishing which says that the organization was not able meet its present liabilities[31],[33].

Preparation of budget summaries empowers the Government to see if the association is following different guidelines and guidelines or not. These announcements give a base to the guideline for the firm.

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Retrieval Number: B13810882S819/2019©BEIESP
DOI: 10.35940/jrte.B1381.0882S819
Published By: Blue Eyes Intelligence Engineering & Sciences Publication

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