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A Study on Financial Statement Analysis

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Abstract:

Financial statements are prepared primarily for decision-making. They play a dominant role in setting the frame-work of managerial decisions. The term financial analyses refers to the process of determining financial strengths and weaknesses of the firm by establishing strategic relationship between the item of balance sheet, profit and loss account and other operative data. Financial Statement Analysis is a method of reviewing and analyzing a company's accounting reports (financial statements) in order to gauge its past, present or projected future performance. This process of reviewing the financial statements allows for better economic decision making. Globally, publicly listed companies are required by law to file their financial statements with the relevant authorities. For example, publicly listed firms in America are required to submit their financial statements to the Securities and Exchange Commission (SEC). Firms are also obligated to provide their financial statements in the annual report that they share with their stakeholders. As financial statements are prepared in order to meet requirements, the second step in the process is to analyze them effectively so that future profitability and cash flows can be forecasted.

Key words: *Financial Markets and functions, financial Policy, preparation of financial Statement analysis…*

Introduction:

profitability and cash flows can be forecasted.

Therefore, the main purpose of financial statement analysis is to utilize information about the past performance of the company in order to predict how it will fare in the future. Another important purpose of the analysis of financial statements is to identify potential problem areas and troubleshoot those.

There are different users of financial statement analysis. These can be classified into internal and external users. Internal users refer to the management of the company who analyzes financial statements in order to make decisions related to the operations of the company. On the other hand, external users do not necessarily belong to the company but still hold some sort of financial interest. These include owners, investors, creditors, government, employees, customers, and the general public. These users are elaborated on below:

MANAGEMENT

The managers of the company use their financial statement analysis to make intelligent decisions about their performance. For instance, they may gauge cost per distribution channel, or how much cash they have left, from their accounting reports and make decisions from these analysis results.

2. OWNERS

Small business owners need financial information from their operations to determine whether the business is profitable. It helps in making decisions like whether to continue operating the business, whether to improve business strategies or whether to give up on the business altogether.

3. INVESTORS

People who have purchased stock or shares in a company need financial information to analyze the way the company is performing. They use financial statement analysis to determine what to do with their investments in the company. So depending on how the company is doing, they will either hold onto their stock, sell it or buy more.

4. CREDITORS

Creditors are interested in knowing if a company will be able to honor its payments as they become due. They use cash flow analysis of the company's accounting records to measure the company's liquidity, or its ability to make short-term payments.

5. GOVERNMENT

Governing and regulating bodies of the state look at financial statement analysis to determine how the economy is performing in general so they can plan their financial and industrial policies. Tax authorities also analyze a company's statements to calculate the tax burden that the company has to pay.

6. EMPLOYEES

Employees need to know if their employment is secure and if there is a possibility of a pay raise. They want to be abreast of their company's profitability and stability.

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Employees may also be interested in knowing the company's financial position to see whether there may be plans for expansion and hence, career prospects for them.

7. CUSTOMERS

Customers need to know about the ability of the company to service its clients into the future. The need to know about the company's stability of operations is heightened if the customer (i.e. a distributor or procurer of specialized products) is dependent wholly on the company for its supplies.

8. GENERAL PUBLIC

Anyone in the general public, like students, analysts and researchers, may be interested in using a company's financial statement analysis. They may wish to evaluate the effects of the firm on the environment, or the economy or even the local community. For instance, if the company is running corporate social responsibility programs for improving the community, the public may want to be aware of the future operations of the company.

METHODS OF DATA ANALYSIS

The data collected were edited, classified and tabulated for analysis. The analytical tools used in this study are:

ANALYTICAL TOOLS APPLIED:

The study employs the following analytical tools:

- Comparative statement.
- Trend Percentage.
- Ratio Analysis

FINANCIAL STATEMENT ANALYSIS

In the works of Metcalf and Tigard, Analyzing financial statement is a Process of evaluating the relationship between components parts of financial Statement to obtain a better understanding of firm's positions/and Performance.

Meaning of Financial Statements

Financial statements refer to such statements which contains financial information about an enterprise. They report profitability and the financial position of the business at the end of accounting period. The team financial statement includes at least two statements which the accountant prepares at the end of an accounting period. The two statements are: -

The Balance Sheet
Profit And Loss Account

They provide some extremely useful information to the extent that balance Sheet mirrors the financial position on a particular date in terms of the structure of assets, liabilities and owners equity, and so on and the Profit And Loss account shows the results of operations during a certain period of time in terms of the revenues obtained and the cost incurred during the year. Thus the financial statement provides a summarized view of financial positions and operations of a firm.

Purpose of Analysis of financial statements:

- To know the earning capacity or profitability.
- To know the solvency.
- To know the financial strengths.
- To know the capability of payment of interest & dividends.
- To make comparative study with other firms.
- To know the trend of business.
- To know the efficiency of mgt.
- To provide useful information to mgt.

METHODS OF FINANCIAL ANALYSIS:

A number of methods are used to study the relationship between different Statements. An effort is made to use those devices, which clearly analyze the Position of the enterprise.

The following methods of analysis are generally used.

1. Comparative Statements
2. Trend Analysis
3. Ratio Analysis

Comparative Statements

The comparative financial statements are statements of the financial position at different periods of time. Any statement prepared in a comparative form will be covered in comparative statement.

Generally, two financial statements viz, balance sheet and income statement are prepared in comparison from for financial analysis purposes. Not only the comparison of the figure of two periods by also the relation ship between balance sheet and income statement enables an in depth study of financial position and operative result.

The financial data will be comparative only when some accounting principles are used consistently in preparing these statements.

Trend Analysis.

These financial statements may be analyzed by computing trends of series on information. This method determines the directions up wards or downwards and involves the computations of the percentages relationships that each statement item beard to the same item in base year. The information for a base year is taken as 100 and trend for the other years are calculated on the basis of base year. The analyst is able to see the trend of figure whether up ward or down word.

The interpretation of trend analysis involves a cautious study. The mere increase or decrease in trend parentages my give misleading result of studied in isolation. The base period should be carefully selected.

The base period should be a normal period. The accounting procedures and conventions use for collections use for collecting data and preparation of financial statements should be similar other wise the figures will no be comparable.

Ratio Analysis.

Ratio analysis is a widely used toll of financial analysis. It is defined as the systematic use of ratio to interpret the financial statements so that the strength and weakness of a firm as well sits historical Performance and current financial condition can be determined. The term ratio refers to the numerical or quantitative relationship between two items or variable.

Classification of Ratios

The use of ratio analysis is not confined to the financial manager only. There are different parties interested in the ratio analysis for knowing the financial position of the firm for different purpose. In view of the various users of ratios, there are many types of ratios, which can be calculated for the given information in the financial statements.

Following is the classification of ratios:

Liquidity Ratio
Leverage Ratio
Profitability Ratio
Activity Ratio

Liquidity Ratios

Liquidity refers to the ability of the concern to meet its current obligations as and when they, become due. These ratios are calculated to comment upon the short term paying capacity of the concern or the firm's ability to meet its current obligations. Much insight could be obtained into the present cash solvency of the firm and its ability to remain solvent in the event of emergent: i.e. the firm should ensure that it does not suffer from any lack of liquidity and also that it is necessary to strike a proper balance between high liquidity and lack of liquidity.

Leverage Ratios

The short-term creditors like the bankers and the suppliers of raw materials are more concerned with the firm's current debt paying ability. On the other hand, long terms creditors like debenture holders, financial institutions, etc, are more concerned with the firm's long-term financial position. To judge the long-term financial position of the firm, financial leverage or capital structure ratio is used. The shareholders, debenture holders and other long-termed creditors like financial institutions are more interested in the long term financial position or long term solvency of the firm. Leverage or solvency ratios are used for such an analysis. These ratios are also used to analyze the capital structure of a company. That is only these are also called capital-structure ratios. The term solvency generally refers to the firm ability to pay the interest regularly and repay the principal amount of debt on due date.

There are two aspects of long-term solvency of a firm. They are:

1. Ability to repay the principal amount of loan on the due date.
2. Regular payment of interest.

Accordingly, there are two types of leverage ratios. The first type of leverage ratio is based on the relationship between owned-capital and borrowed capital. These ratios are calculated from the balance items. The second type of leverage ratio is coverage ratios. These are computed from the profit and loss account.

Profitability ratio

Profit reflects the final result of the business operations. There is two types of profitability ratios namely margin ratio and ratio on returns rates. Profit margin ratios show the relation between sales and profits.

The ultimate aim of any business enterprise is to earn maximum profit. Lord keens remarked, "Profit is the engine that drives the business enterprise", a firm should earn profit to survive and grow for a long period of time. To the management profit is a measurement of efficiency and control. To the owners it is to measure the worth of their investment. To the creditors it is the margin of safety.

The management of the company should know how efficiently they carry out business operation. In other words, the management of the company is very much interested in the profitability of the company. Beside management, creditors and owners are also interested in the profitability of the co-creditors, as they want to get interest and repayment of principal amount regularly.

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Owners want to get a reasonable return on their investment.

The profitability ratio measures the ability of the firm to earn and on sales, total assets and invested capital. Profitability ratios are generally calculated either in relation to sales or in relation to investment. The profitability ratios in relation to sales are gross profit ratio. Net profit ratio, operating ratio, expenses ratio, and etc. the profitability ratios in relation to investment are return on assets, return on investment, return on equity capital.

The important profit margin ratios are gross profit margin and net profit margin .the rate of return ratio reflects the relationship between rate and profit and investment. The important rate of return ratio is return on equity and return on investment, etc.

Activity ratio

Funds of the owners and creditors are invested in various assets to generate sales and profits. The better the management of assets, the larger the amount of sales. Activity ratios are employed to evaluate the efficiency with which the firm's managers utilize their assets.

These ratios are also called turnover ratio because they indicate the speed with the assets are being converted or turn over into sales. Analysis is not an end in itself. It is only a means of better understanding of financial strengths and weakness of a firm. Calculation of mere ratios does not serve any purpose, unless several appropriate ratios are analyzed and interpreted.

The rationale of ratio analysis lies that it makes related information comparable. A Single figure by itself has no meaning but when expressed in terms of a related figure it yields significant inferences.

Advantages of Ratio Analysis:

As a tool financial management, Ratios are crucial significance Ratio analysis is relevant in assessing the performance of a firm respect of the following aspects.

1. Ratio analysis simplifies the comprehension of financial statements. Ratio tells the whole story of changes in the financial conditions of the business.

2. It provides data for inter-firm comparison of financial statements. Ratio tells the whole story of changes in the financial conditions of factors associated of with successful and un-successful firms.

3. It provides data for inter-firm comparison of the performance of the different divisions of the firm. The ratios are helpful in deciding about their efficiency or other wise in the part and likely performance in the future.

4. It helps in planning and forecasting over a period of time a firm of industry develops certain norms that a firm may indicate success of failure.

Limitation of ratio Analysis:

The ratio analysis is a widely used technique to evaluate the financial position and performance of a business. But there are certain problems in using ratios. The analysis should be aware of these problems.

1. It is difficult to decide on the proper basis of comparison.
2. The Comparison is rendered difficult because of difference.
3. The price level change makes the interpretations of ratios invalid.
4. The differences on the definitions of items in the balance sheet and the profit and loss statement make the interpretation difficult.
5. The ratios are generally calculated from past financial statements and thus, are indicators of future.

2.3 TYPES OF ANALYSIS

When we use the term financial analysis, we do distinguish between horizontal analysis and vertical whether the analysis and vertical analysis whether the analysis is for those external to the business or the managerial personnel.

Horizontal Analysis- also known as dynamic analysis portrays figures for a number of years and change in these figures from the figure of a particular year is chosen as the standard or the base year. Changes from the figures of the base year, represented as percentage, gives us a clear idea of the trend, during the year, i.e. whether there is an increasing trend, decreasing trend or violent fluctuations so that it is possible to analyze the reasons for the same.

Vertical Analysis- aims at making a static analysis of financial statements for one year only. This method of analysis is useful in studying the inter-relationship of different figures, as for instance, the relationship of gross or net profit to total deposits and also for inter-firm comparison.

Definition of Bank:

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Banking Means "Accepting Deposits for the purpose of lending or Investment of deposits of money from the public, repayable on demand or otherwise and withdraw by cheque, draft or otherwise."

-Banking Companies (Regulation) Act, 1949

Origin of the word "*bank*":-

The origin of the word bank is shrouded in mystery. According to one view point the Italian business house carrying on crude from of banking were called banchi bancheri" According to another viewpoint banking is derived from German word "Branck" which mean heap or mound. In England, the issue of paper money by the government was referred to as a raising a bank.

Origin of banking:

Its origin in the simplest form can be traced to the origin of authentic history. After recognizing the benefit of money as a medium of exchange, the importance of banking was developed as it provides the safer place to store the money. This safe place ultimately evolved in to financial institutions that accepts deposits and make loans i.e., modern commercial banks.

BANKING SYSTEM IN INDIA

Without a sound and effective banking system in India it cannot have a healthy economy. The banking system of India should not only be hassle free but it should be able to meet new challenges posed by the technology and any other external and internal factors.

For the past three decades India's banking system has several outstanding achievements to its credit. The most striking is its extensive reach. It is no longer confined to only metropolitans or cosmopolitans in India. In fact, Indian banking system has reached even to the remote corners of the country. This is one of the main reasons of India's growth process.

History of banking in India

Banking in India has its origin as early or Vedic period. It is believed that the transitions from many lending to banking must have occurred even before Manu, the great Hindu furriest, who has devoted a section of his work to deposit and advances and laid down rules relating to the rate of interest. During the mogul period, the indigenous banker played a very important role in lending money and financing foreign trade and commerce.

During the days of the East India Company it was the turn of agency house to carry on the banking business. The General Bank of India was the first joint stock bank to be established in the year 1786. The other which followed was the Bank of Hindustan and Bengal Bank. The Bank of Hindustan is reported to have continued till 1906. While other two failed in the meantime. In the first half of the 19th century the East India Company established there banks, the bank of Bengal in 1809, the Bank of Bombay in 1840 and the Bank of Bombay in1843. These three banks also known as the Presidency banks were the independent units and functioned well. These three banks were amalgamated in 1920 and new bank, the Imperial Bank of India was established on 27th January, 1921.

With the passing of the State Bank of India Act in 1955 the undertaking of the Imperial Bank of India was taken over by the newly constituted SBI. The Reserve Bank of India (RBI) which is the Central bank was established in April, 1935 by passing Reserve bank of India act 1935. The Central office of RBI is in Mumbai and it controls all the other banks in the country.

In the wake of Swadeshi Movement, number of banks with the Indian management were established in the country namely, Punjab National Bank Ltd., Bank of India Ltd., Bank of Baroda Ltd., Canara Bank. Ltd. on 19th July 1969, 14 major banks of the country were nationalized and on 15th April 1980, 6 more commercial private sector banks were taken over by the government.

The first bank in India, though conservative, was established in 1786. From 1786 till today, the journey of Indian Banking System can be segregated into three distinct phases.

They areas mentioned below:

- Early phase from 1786 to 1969 of Indian Banks
- Nationalization of Indian Banks and up to 1991 prior to Indian banking sector Reforms.
- New phase of Indian Banking System with the advent of Indian Financial & Banking Sector Reforms after 1991.

To make this write-up more explanatory, I prefix the scenario as Phase I, Phase II and Phase III.

Phase I

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The General Bank of India was set up in the year 1786. Next came Bank of Hindustan and Bengal Bank. The East India Company established Bank of Bengal (1809), Bank of Bombay (1840) and Bank of Madras (1843) as independent units and called it Presidency Banks.

These three banks were amalgamated in 1920 and Imperial Bank of India was established which started as private shareholders banks, mostly Europeans shareholders.

In 1865 Allahabad Bank was established and first time exclusively by Indians, Punjab National Bank Ltd. was set up in 1894 with headquarters at Lahore. Between 1906 and 1913, Bank of India, Central Bank of India, Bank of Baroda, Canara Bank, Indian Bank, and Bank of Mysore were set up. Reserve Bank of India came in 1935.

During the first phase the growth was very slow and banks also experienced periodic failures between 1913 and 1948. There were approximately 1100 banks, mostly small. To streamline the functioning and activities of commercial banks, the Government of India came up with The Banking Companies Act, 1949 which was later changed to Banking Regulation Act 1949 as per amending Act of 1965 (Act No. 23 of 1965). Reserve Bank of India was vested with extensive powers for the supervision of banking in India as the Central Banking Authority.

During those day's public has lesser confidence in the banks. As an aftermath deposit mobilization was slow. Abreast of it the savings bank facility provided by the Postal department was comparatively safer. Moreover, funds were largely given to traders.

Phase II

Government took major steps in this Indian Banking Sector Reform after independence. In1955, it nationalized Imperial Bank of India with extensive banking facilities on a large scale especially in rural and semi-urban areas. It formed State Bank of India to act as the principal agent of RBI and to handle banking transactions of the Union and State Governments all over the country.

Seven banks forming subsidiary of State Bank of India was nationalized in 1960 on 19th July,1969, major process of nationalization was carried out. It was the effort of the then Prime Minister of India, Mrs. Indira Gandhi. 14 major commercial banks in the country were nationalized.

Second phase of nationalization Indian Banking Sector Reform was carried out in 1980 with seven more banks. This step brought 80% of the banking segment in India under Government ownership.

The following are the steps taken by the Government of India to Regulate Banking Institutions in the Country:

- 1949: Enactment of Banking Regulation Act.
- 1955: Nationalization of State Bank of India.
- 1959: Nationalization of SBI subsidiaries.
- 1961: Insurance cover extended to deposits.
- 1969: Nationalization of 14 major banks.
- 1971: Creation of credit guarantee corporation.
- 1975: Creation of regional rural banks.
- 1980: Nationalization of seven banks with deposits over 200 crore.

After the nationalization of banks, the branches of the public sector bank India rose to approximately 800% in deposits and advances took a huge jump by 11,000%.Banking in the sunshine of Government ownership gave the public implicit faith and immense confidence about the sustainability of these institutions.

Phase III

This phase has introduced many more products and facilities in the banking sector in its reforms measure. In 1991, under the chairmanship of M Narasimham, a committee was set up by his name which worked for the liberalization of banking practices.The country is flooded with foreign banks and their ATM stations. Efforts are being put to give a satisfactory service to customers. Phone banking and net banking is introduced. The entire system became more convenient and swift. Time is given more importance than money.The financial system of India has shown a great deal of resilience. It is sheltered from any crisis triggered by any external macroeconomics shock as other East Asian Countries suffered. This is all due to a flexible exchange rate regime, the foreign reserves are high, the capital account is not yet fully convertible, and banks and their customers have limited foreign exchange exposure.

3.3 INDIAN BANKING INDUSTRY

The Indian banking market is growing at an astonishing rate, with Assets expected to reach US$1 trillion by 2015. An expanding economy, middleclass, and technological innovations are all contributing to this growth.The country's middle class accounts for over 320 million People. In correlation with the growth of the

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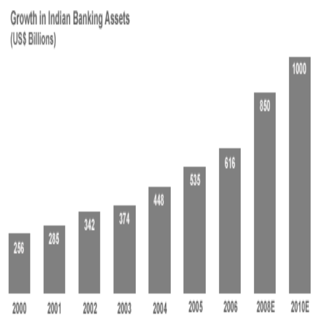
economy, rising income levels, increased standard of living, and affordability of banking products are promising factors for continued expansion.



The Indian banking Industry is in the middle of an IT revolution, Focusing on the expansion of retail and rural banking. Players are becoming increasingly customer - centric in their approach, which has resulted in innovative methods of offering new banking products and services. Banks are now realizing the importance of being a big player and are beginning to focus their attention on mergers and acquisitions to take advantage of economies of scale and/or comply with Basel II regulation.“Indian banking industry assets are expected to reach US$1 trillion by 2015 and are poised to receive a greater infusion of foreign capital,” says Prathima Rajan, .The banking industry should focus on having a small number of large players that can compete globally rather than having a large number of fragmented players. **Financial statement analysis** (or financial analysis) is the process of reviewing and analyzing a company's financial statements to make better economic decisions. These statements include the income statement, balance sheet, statement of cash flows, and statement. Financial statement analysis is a method or process involving specific techniques for evaluating risks, performance, financial health, and future prospects of an organization. It is used by a variety of stakeholders, such as credit and equity investors, the government, the public, and decision-makers within the organization. These stakeholders have different interests and apply a variety of different techniques to meet their needs. For example, equity investors are interested in the long-term earnings power of the organization and perhaps the sustainability and growth of dividend payments. Creditors want to ensure the interest and principal is paid on the organizations debt securities (e.g., bonds) when due.Common methods of financial statement analysis include fundamental analysis, DuPont analysis, horizontal and vertical analysis and the use of financial ratios. Historical information combined with a series of assumptions and adjustments to the financial information may be used to project future performance. The Chartered Financial Analyst designation is available for professional financial analysts. Financial ratios are very powerful tools to perform some quick analysis of financial statements. There are four main categories of ratios: liquidity ratios, profitability ratios, activity ratios and leverage ratios. These are typically analyzed over time and across competitors in an industry.

- *Liquidity ratios* are used to determine how quickly a company can turn its assets into cash if it experiences financial difficulties or bankruptcy. It essentially is a measure of a company's ability to remain in business. A few common liquidity ratios are the current ratio and the liquidity index. The current ratio is current assets/current liabilities and measures how much liquidity is available to pay for liabilities. The liquidity index shows how quickly a company can turn assets into cash and is calculated by: (Trade receivables x Days to liquidate) + (Inventory x Days to liquidate)/Trade Receivables + Inventory.
- *Profitability ratios* are ratios that demonstrate how profitable a company is. A few popular profitability ratios are the breakeven point and gross profit ratio. The breakeven point calculates how much cash a company must generate to break even with their start up costs. The gross profit ratio is equal to (revenue - the cost of goods sold)/revenue. This ratio shows a quick snapshot of expected revenue.
- *Activity ratios* are meant to show how well management is managing the company's resources. Two common activity ratios are accounts payable turnover and accounts receivable turnover. These ratios demonstrate how long it takes for a company to pay off its accounts payable and how long it takes for a company to receive payments, respectively.
- *Leverage ratios* depict how much a company relies upon its debt to fund operations. A very common leverage ratio used for financial statement analysis is the debt-to-equity ratio. This ratio shows the extent to which management is willing to use debt in order to fund operations. This ratio is calculated as: (Long-term debt + Short-term debt + Leases)/ Equity.[8]

DuPont analysis uses several financial ratios that multiplied together equal return on equity, a measure of how much income the firm earns divided by the amount of funds invested (equity).A Dividend discount model (DDM) may also be used to value a company's stock price based on the theory that its stock is worth the sum of all of its future dividend payments, discounted back to their present value.[9] In other words, it is used to value stocks based on the net present value of the future dividends. Financial statement analyses are typically performed in spreadsheet software and summarized in a variety of formats. Investors typically are attempting to understand how much cash the company will generate in the future and its rate of profit growth, relative to the amount of capital deployed. Analysts may modify ("recast") the financial statements by adjusting the underlying assumptions to aid in this computation. For example, operating leases (treated like a rental transaction) may be recast as capital leases (indicating ownership), adding assets and liabilities to the balance sheet. This affects the financial statement ratios.

Recasting financial statements requires a solid understanding of accounting theory. Once the cash flow in future years is projected, a discount rate or interest rate will be applied to measure the value of the company and its stock or debt.Year-to-year comparisons can highlight trends and point up the need for action. Trend ratio analysis works best with Venture Line's five-year accounting ratios married with a common size analysis. With time period to time period financial analysis, good or poor performance becomes obvious.Venture Line provides cross-sectional financial analysis tools, comparing industry financial ratios to any company or comparing two companies in similar lines of business. Highly recommended by expert analysts is the most effective form of cross-sectional financial analysis: comparing a company's financial ratios and common size percentages to industry ratios and percentages in which the company competes.One way to visually zero in on potential problems and missteps taking place within a business is to prepare and study common size financial statements. Common size financial statements get rid of the dollars and cents, reflecting account balances as percentages only. All Venture Line company reports contain common size financial statement analysis.Whether you are a student, professor, business person, sophisticated investor or an accounting professional we specialize in financial statement ratio analysis and industry ratios with instant downloadable results. Reports contain both trend and cross-sectional financial analysis in an accounting ratios and common size format. For accounting ratios financial analysis, industry ratios analysis, common size comparisons and analyzing investments, our mission is to assist you in researching financial ratios, achieving your monetary goals; minimizing your inherent risk of loss, while increasing your potential for success.

FINANCIAL ANALYSIS - PUBLIC COMPANY VS INDUSTRY RATIO ANALYSIS

STUDENTS & PROFESSIONALS: Instantly available 30-ratio, 5-year, ratio analysis report coupled with a 5-year common size analysis satisfies basically all requirements for a 5-year financial statement analysis of any of the 7,000+ public companies vs. their industry.

Profitability Financial Ratios (nine ratios) which use margin analysis and show the return on sales and capital employed.

Asset Management Ratios (eight ratios) which use turnover measures to show how efficient a company is in its operations and use of assets.

Liquidity Financial Ratios (four ratios) which give a picture of a company's short term financial situation or solvency.

Debt Management Ratios (seven ratios) which show the extent that debt is used in a company's capital structure.

Predictor Financial Ratio metrics indicate the potential for growth or failure.

5-year Common Size Report for all companies analyzed. Used to: a. identify key structural changes in a company's financial data over a period of time; b. more easily compare the financial data of firms that vary significantly in size; and, c. compare a company's financial data to industry norms.

Five years of financial statements for all companies analyzed; including last filed quarter vs. the same quarter of the prior filed year.

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