

Chapter 7: Case Discussion on “Financial Statement Analysis”

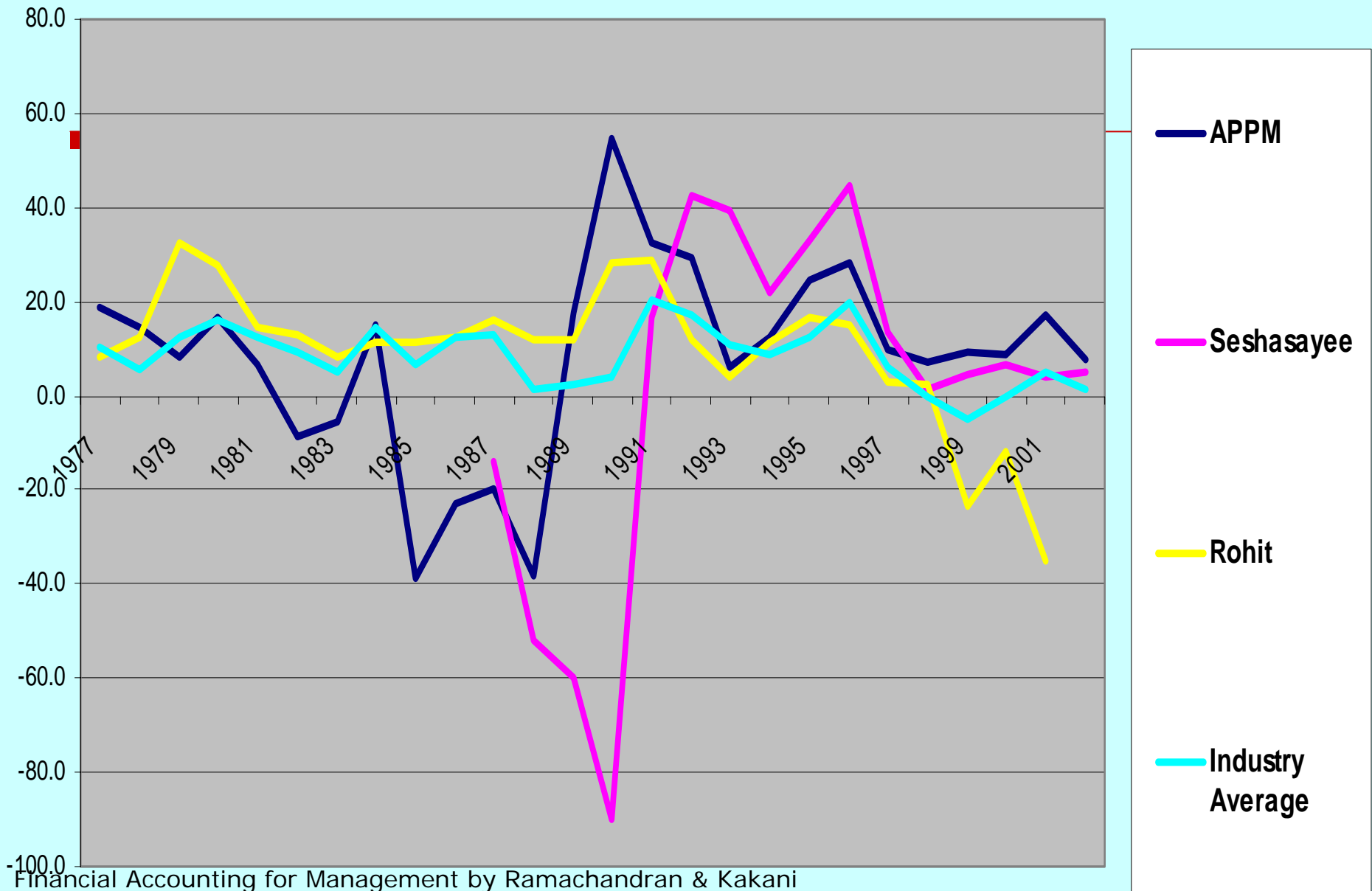
Prof. Ram Kumar Kakani

Prof. N. Ramachandran

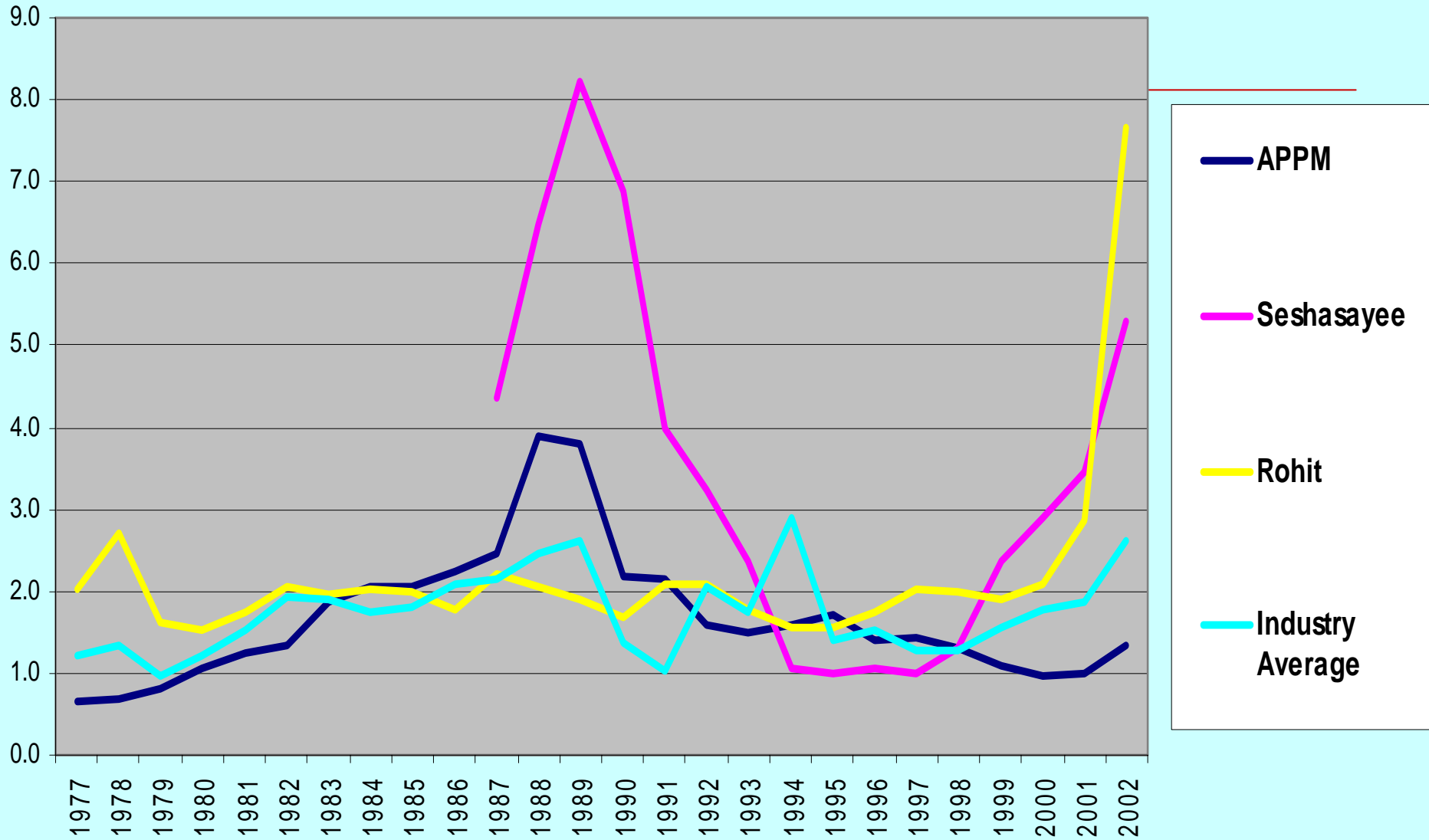
Tanmoy Chatterjee

Financial Analysis of Indian Paper Industry

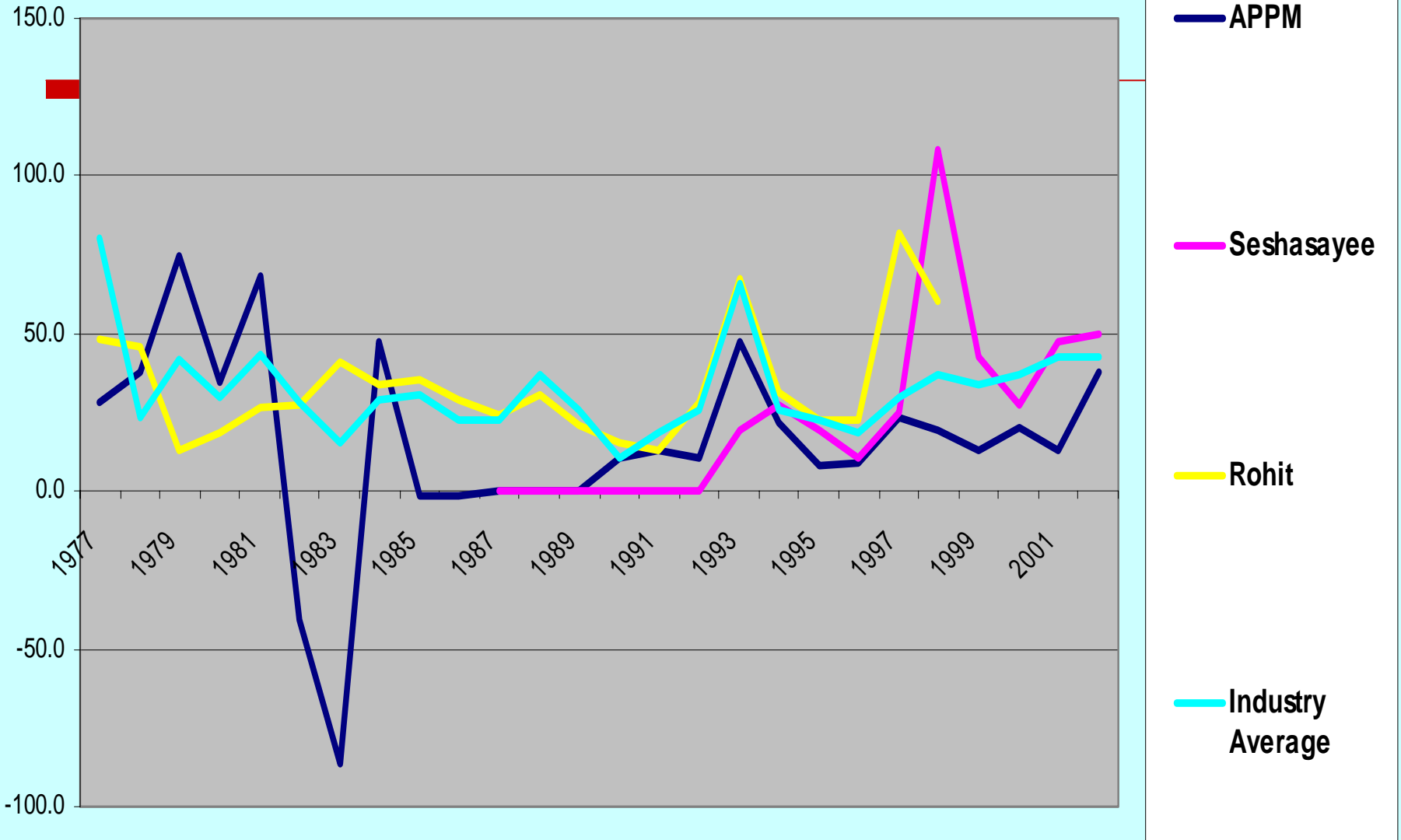
Trend of ROE



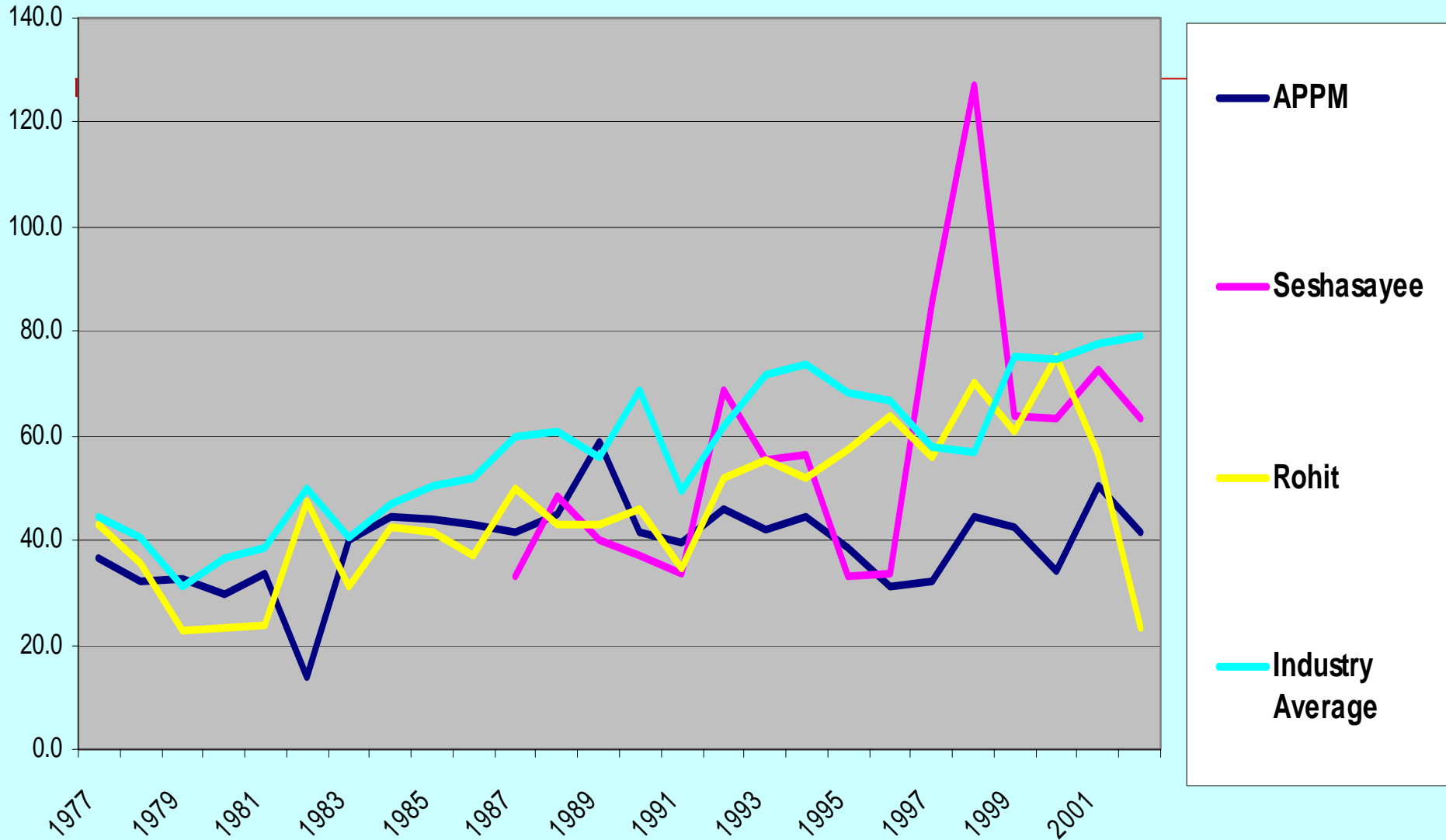
Trend of DE Ratio



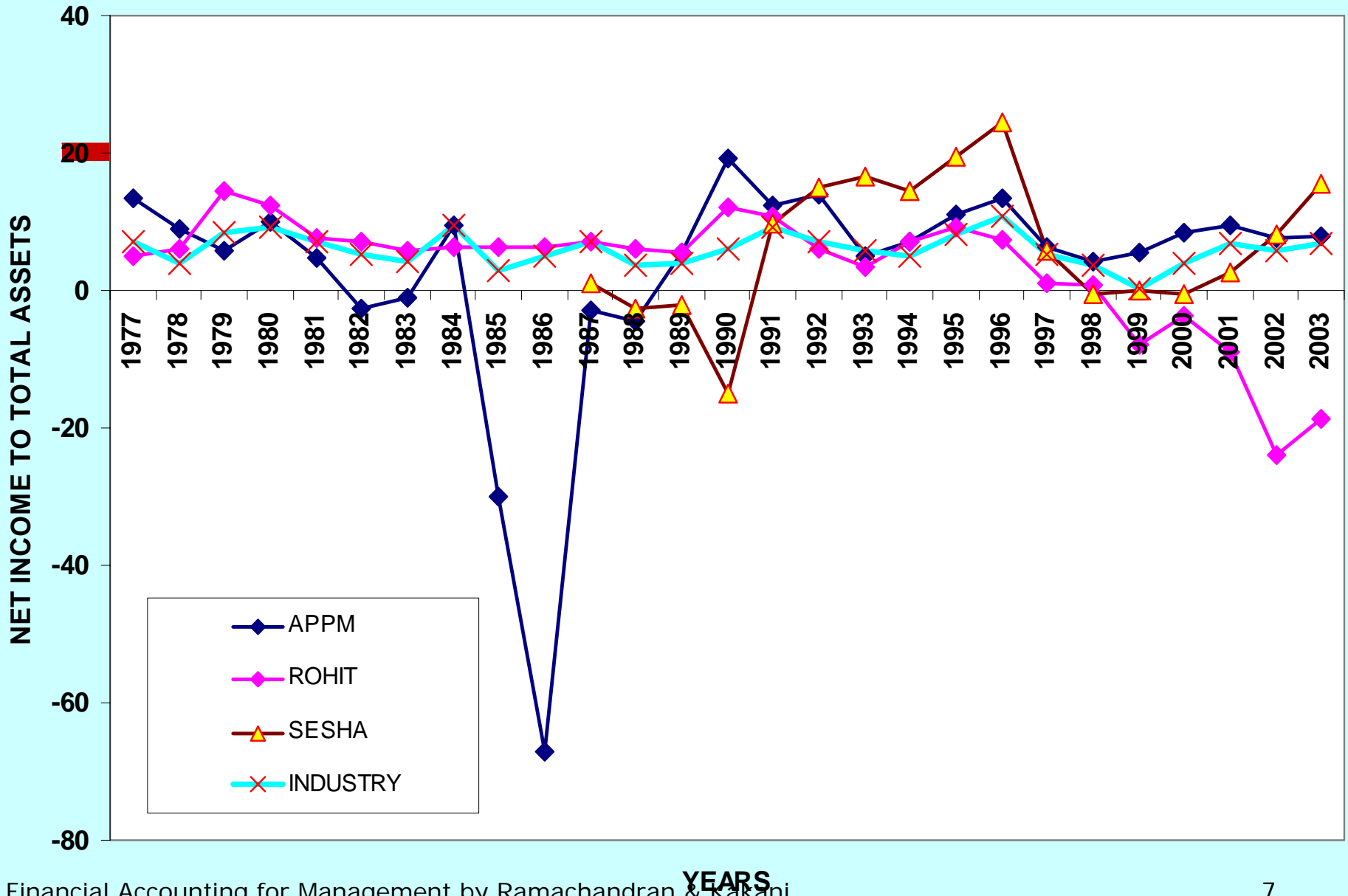
Trend of Divident Payout Ratio



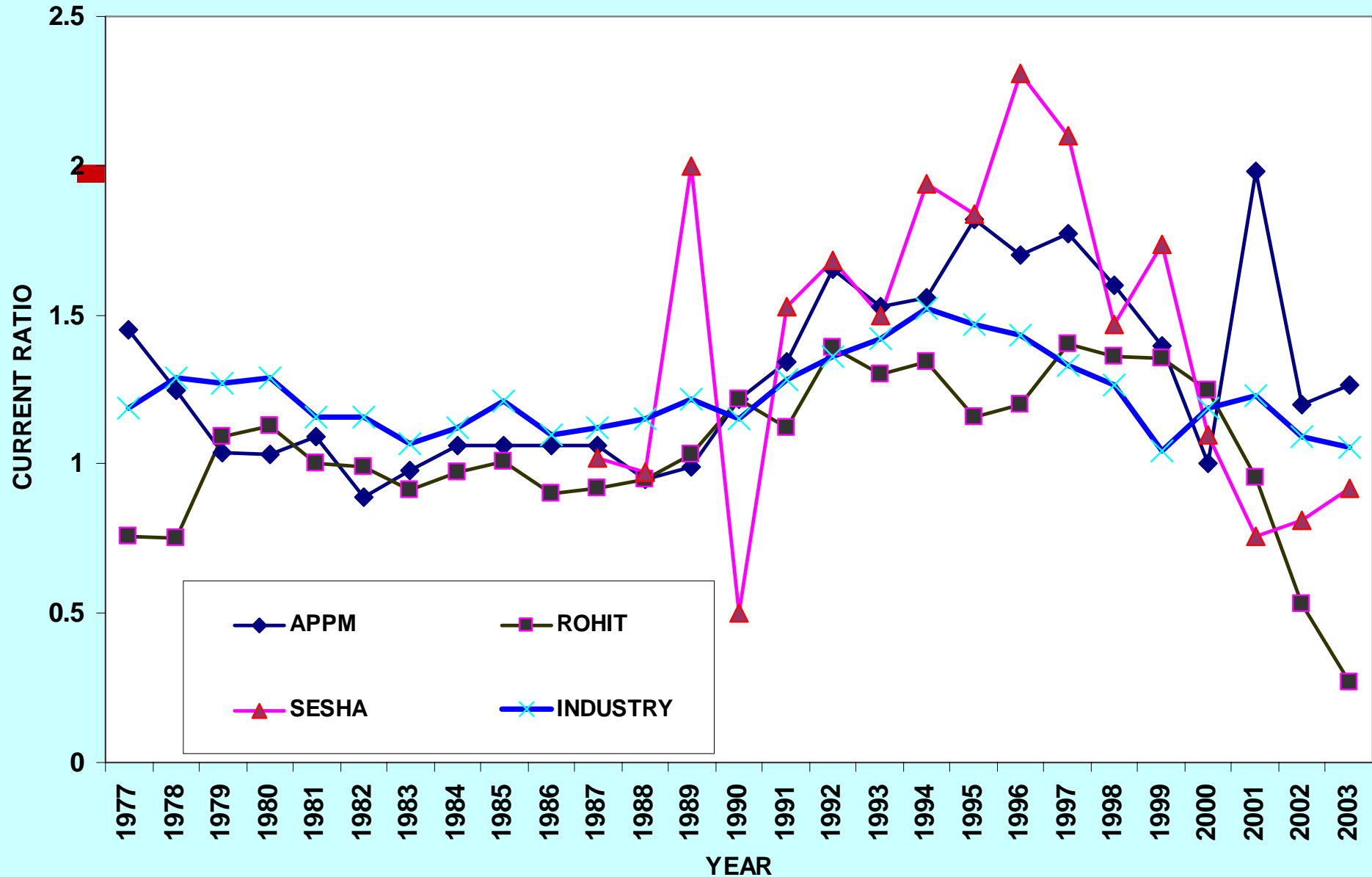
Trend of Average Collection Period



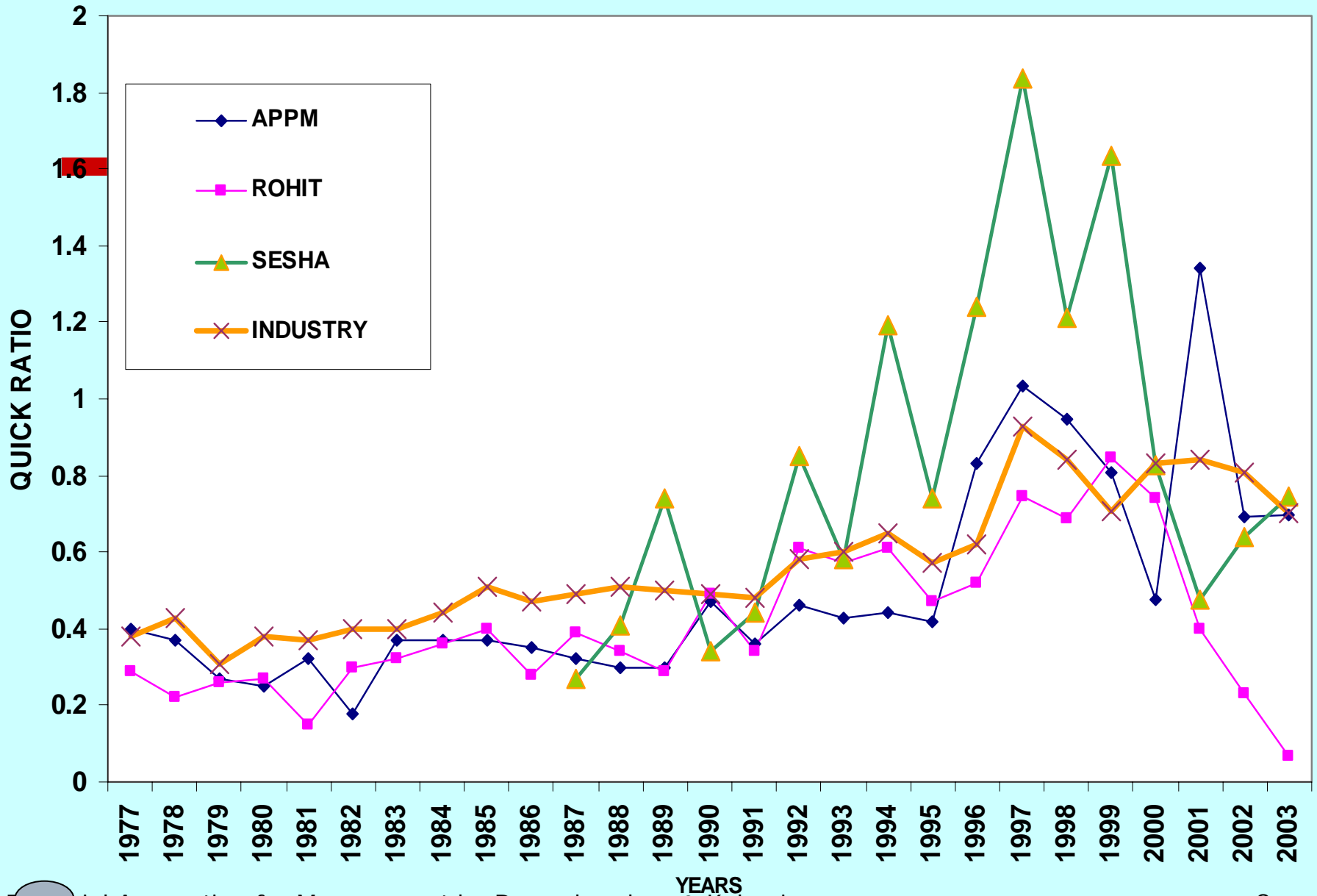
Indian Paper Industry - Trends in Net Income to Total Assets



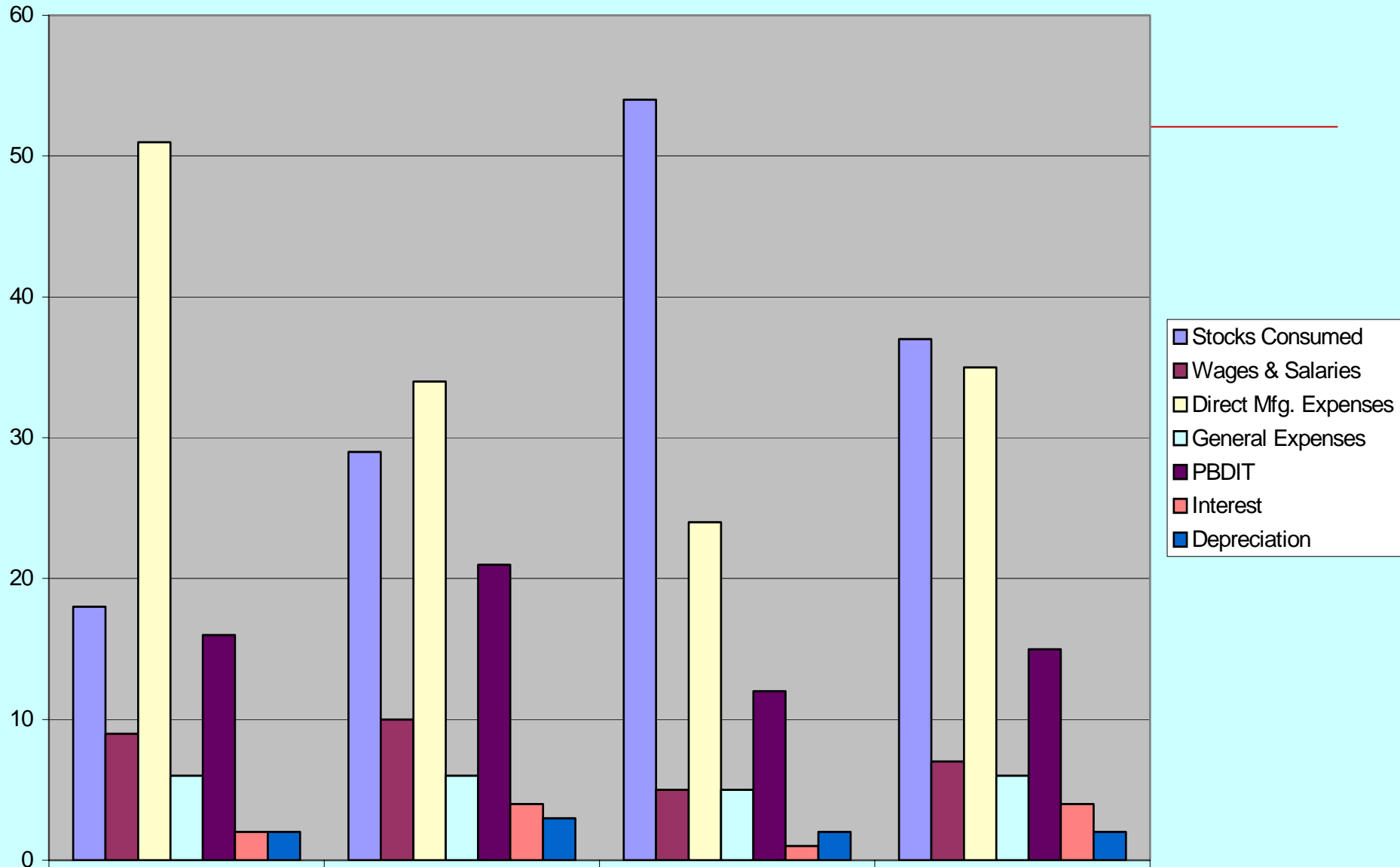
Indian Paper Industry - Trends in CURRENT RATIO



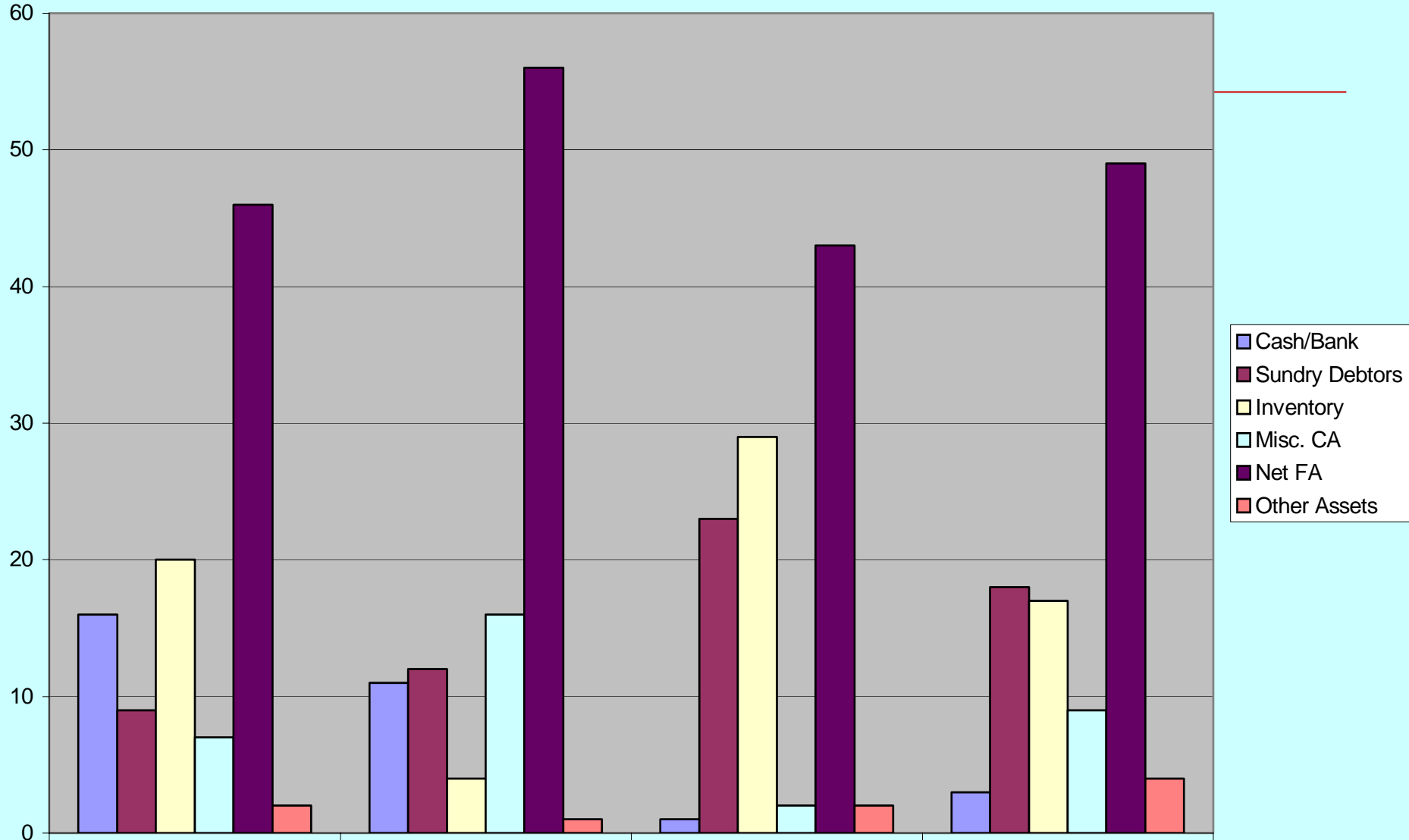
INDIAN PAPER INDUSTRY - QUICK RATIO



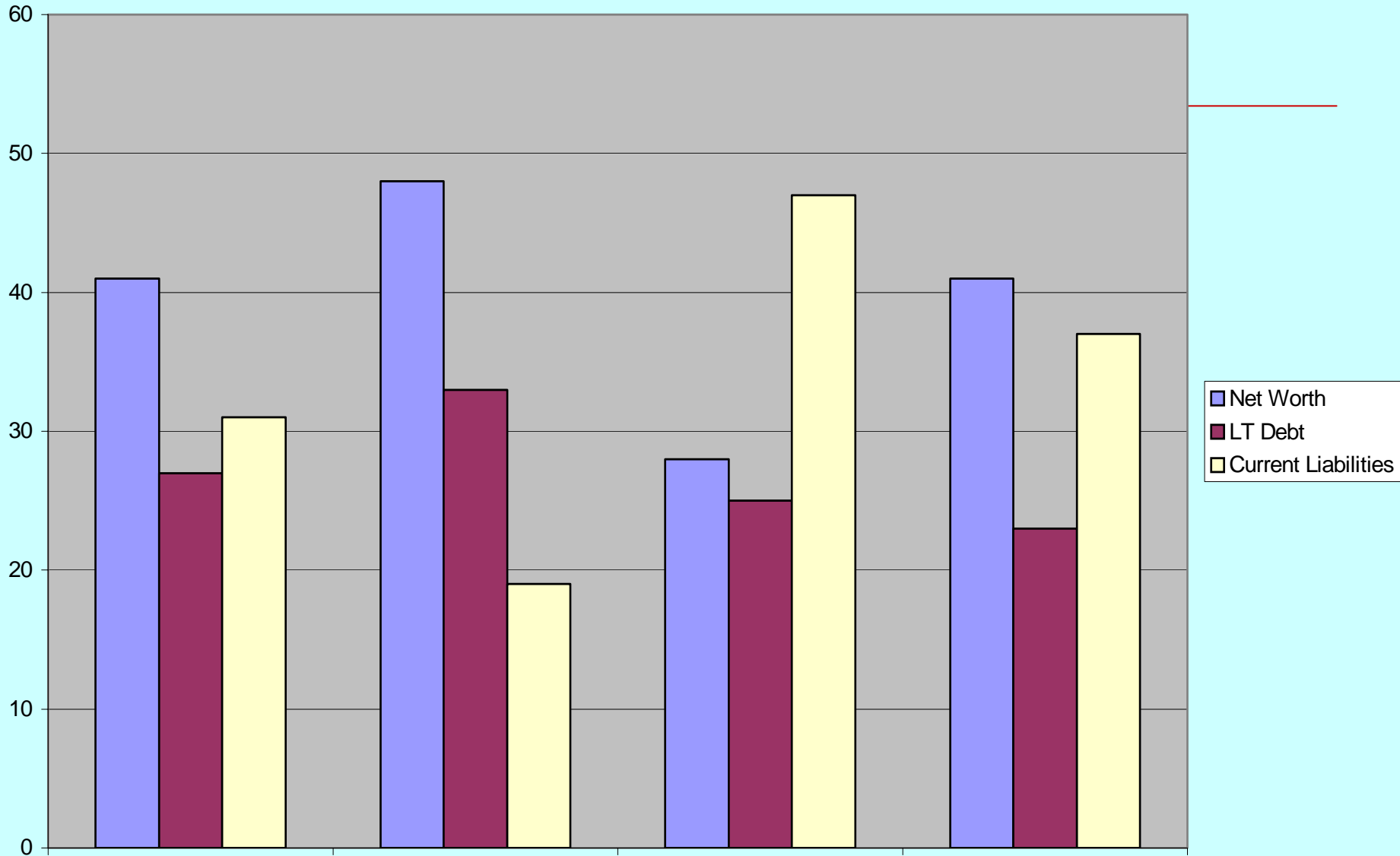
Income Statement: Common Size Analysis



Balance Sheet - Assets: Common Size Analysis

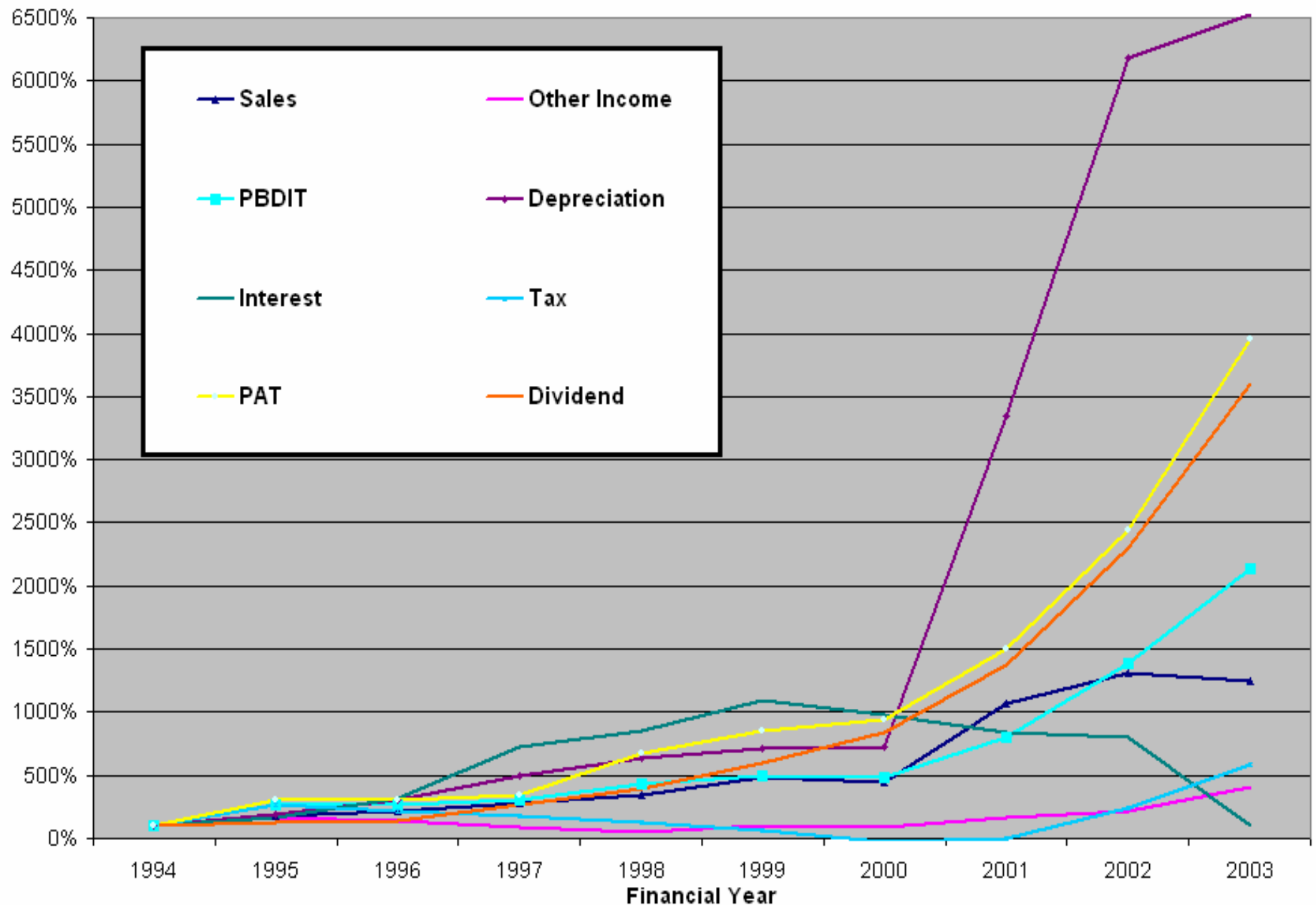


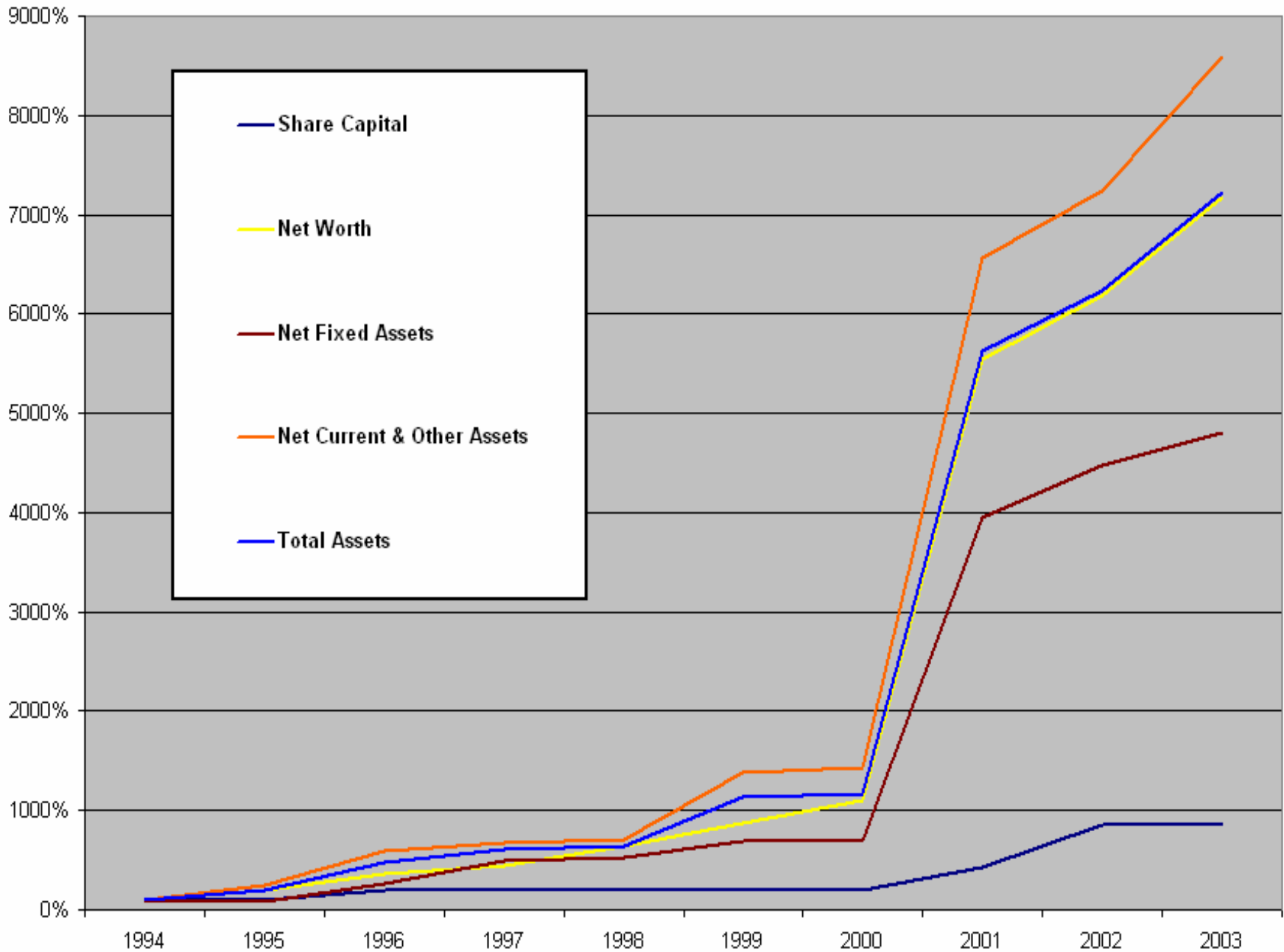
Balance Sheet - Liabilities: Common Size Analysis

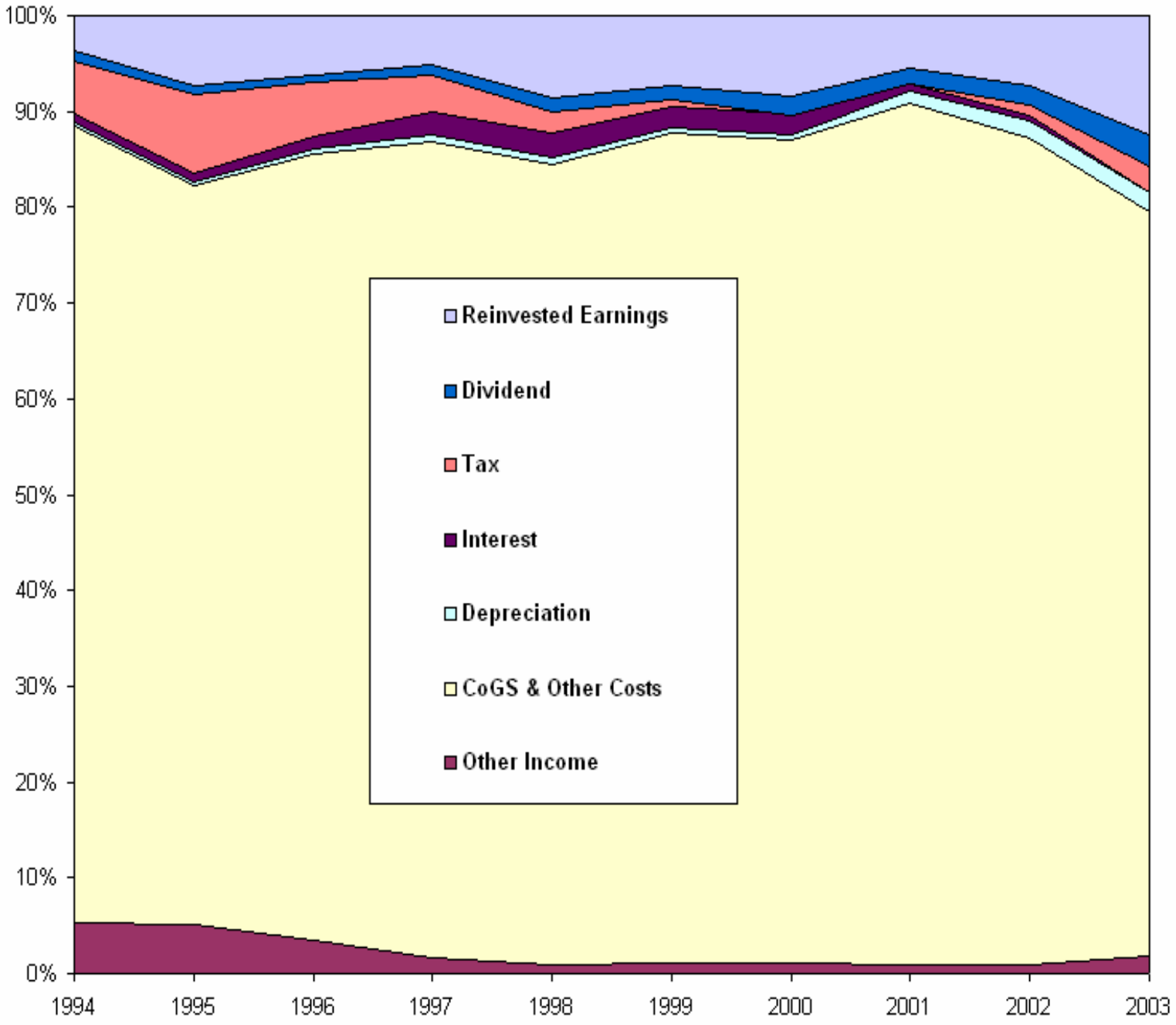


Trend Analysis of Monsanto India Limited

Monsanto - Income Statement







Limitations of Analysis

- ❑ The process of generating these numbers could be manipulated
- ❑ While, comparing firms ... caution should be there i.e., they may be following different accounting policies and theories
- ❑ While concluding, assumptions need to be clarified
- ❑ A lot of qualitative factors should also be taken into account
- ❑ Finally, Financial Analysis is very successful over the long-run

Thank You

