

Project Work on
"Financial Statement Analysis of
Sole Trading Organization: A Study of M/s Nanda
Traders, Murdeshwar"

Submitted to



Karnatak University Dharwad
In partial fulfilment of the Requirements for the Degree of
Master of Commerce
2019

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2018-19

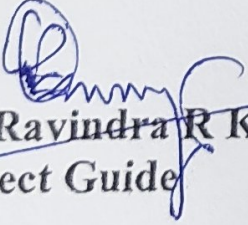


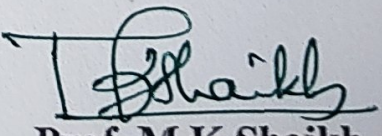
Certificate

Certified that the Project Work titled "Financial Statement Analysis of sole trading Organization A Case Study of Nanda Traders Murdeshwar" is a original record of field work done by Mr. Darshana prabhu M.Com Fourth Semester Student of our Centre, during the period of his study and that it has not formed the basis for the award of any degree, diploma, associate ship, fellowship or similar other titles. It has not been submitted to any other University or Institution for the award of any degree or diploma.

Place : Bhatkal

Date : 29.06.2017


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NANDA TRADERS

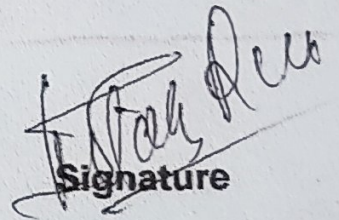
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CERTIFICATE

This is certify that **Mr. Drashana Vasudev Prabhu** student of **M.com Fourth** semester in **Anjuman Arts, Science and Commerce College and P.G. Centre, Bhatkal**, with Register number **17C011106** visited our unit for data collection in respect of his project work. We believe that this is his own efforts and we wish him good luck in his academic Endeavour.


Signature

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CHAPTER- I

INTRODUCTION

The project study based on Financial statement analysis of Nanda Traders Murdeshwar, "aims at analyzing the financial feasibility of the company". In terms of liquidity turnover, solvency and Profitability through ratio analysis techniques. Ratio analysis is a technique used as a benchmark for evaluating the financial position and performance of the firm.

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 includes the income statement, balance sheet, statement of cash flows, and a statement of changes in equity.

Financial analysis is a process of evaluating the relationship between component parts of a financial statement to obtain a better understanding of a firm's position and performance.

The purpose of financial analysis is to diagnose the information contained in financial statements so as to judge the profitability and financial soundness of the firm. just like a doctor examines his patient by recording his body temperature etc. Before making his conclusion regarding the illness and before giving his treatment. A financial analyst analyses the financial statements with various tools of analysis before commenting upon the financial health or weakness of an enterprise.

The analysis and interpretation of financial statement is essential to bring out the mystery behind the figures in financial statements. Financial statement analysis is an attempt to determine the significance and meaning of financial statement data so the forecast may be made of future earnings, ability to pay interest and debt maturities and profitability of a sound dividend policy.

The financial statements are like mirror which reflects the financial position and operating strength or weakness of the firm. Thus the techniques of ratio

Suggestions

Based on the findings of the present study, the following suggestions are offered:

The firm has a better business prospect and hence it is strongly recommended that the firm thinks of further product diversification which could add value to the business and generate more revenue through increased sales.

The entrepreneur may provide better training to operating staff so that inventory management is under control.

The business being lucrative, it is suggested that the firm may open few more branches for the service to the customers in other prime locations so that revenue can be increased.

The establishment does not have its own delivery system with its own vehicle which causes inconvenience to the customers to hire own vehicles even for tiny purchases.

Inventory position needs to be focused more by the firm so that inventory holding period does cross normal periods resulting in additional cost of inventory holding.

Conclusion

Finally, to conclude, it can be inferred that overall the firm has been doing well and also has better business prospects for the future too which need to be tapped properly and opportunities should be encashed. Business ethics, prompt service, additional offerings to the customers in terms of rebate and discounts, gift coupons etc could go a long way in strengthening the firm to gear up to face the future challenges. As it is rightly said, "it is the stronger species that last long and the firm should do whatever is needed in this regard".