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(AFFILIATED TO THE KARNATAK UNIVERSITY, DHARWAD)

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ಅಂಜುಮನಾಬಾದ್, ಭಟ್ಕಳ - ೫೮೧ ೩೨೦

(ಉತ್ತರ ಕನ್ನಡ) ಕರ್ನಾಟಕ ರಾಜ್ಯ

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# Certificate

Certified that the project work titled "**Ratio Analysis – A Case Study on**

**Nanda Traders, Murdeshwar**" is an original record of field work done by

**Ms. Rajeshwari Shaniyar Naik** with Registration No. **18C011220** in a partial

fulfillment of the award of degree of **Master of Commerce** of the

**Karnatak University, Dharwad** during 2019-20. The project satisfies the

academic requirements in respect of project work prescribed for the Degree of

Master of Commerce and is a record her own independent work.

This project is based on the studies carried out by her has not submitted to

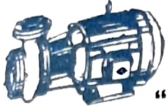
any other University or Institution for the award of any degree or diploma.

**Prof. Ganesh Naik**

**Project Guide**

**Prof. M.K. Shaikh**

**Principal**



# NANDA TRADERS

Dealers in Agricultural Equipments & Roofing Sheets

"NANDA" BASTI ROAD, MURUDESHWAR - 581 350 (N.K.), ☎ : (08385) 260240



## CERTIFICATE

This is to certify that **Ms. Rajeshwari Shaniyar Naik** student of **M.com fourth semester** with register number **18C011221** studying at Anjuman degree college and PG centre, Bhatkal has visited our **Traders** for data collection in respect of the project work.

We believe that this project is of her own efforts and wish her good luck in her academic endeavour.

Palce: **Murdeshwar**

Date: **02-10-2020**

Proprietor

NANDA TRADERS  
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## Introduction

The project study based on Ratio analysis of "Nanda Traders Murdeshwar". Aims at analyzing the financial feasibility of company, In terms of liquidity turnover ratio, 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.

**Ratio analysis** is an accounting tool, which can be used to measure the solvency, the profitability, and the overall financial strength of a business, by analyzing its financial accounts (specifically the balance sheet and the profit and loss account).

A ratio is simple arithmetical expression of the relationship of one number to another. It may be defined as the indicated quotient of two mathematical expressions.

According to Accountant's Handbook by Wixon, Kell and Bedford, "a ratio is an expression of the quantitative relationship between two numbers".

Ratio Analysis: - Ratio analysis is the process of determining and presenting the relationship of items and group of items in the statements. According to Batty J. Management Accounting "Ratio can assist management in its basic functions of forecasting, planning coordination, control and communication".

It is helpful to know about the liquidity, solvency, capital structure and profitability of an organization. It is helpful tool to aid in applying judgment, otherwise complex situations.

Trading companies are businesses working with different kinds of products which are sold for consumer, business or government purposes. Trading companies buy a specialized range of products, maintain a stock or a shop and deliver products to customer. In the modern context, "trading company" mainly refers to global B2B traders, highly specialized in one goods category and with a strong logistics organization. Changes in practical conditions such as faster distribution, computing and modern marketing have led to changes in their business models.

## **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".