ANJUMAN ARTS, SCIENCE, COMMERCE COLLEGE AND P.G. CENTRE, BHATKAL.

COMMERCE PROJECT WORK

2022-2023

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ANJUMAN ARTS, SCIENCE, COMMERCE COLLEGE

AND P.G. CENTRE, BHATKAL.

DEPARTMENT OF COMMERCE

CERTIFICATE

This is to certify that Mr./~~Miss~~....Mohammed Usama....is the bonafied student of our college studying B.Com....II.... semester has carried out project work as prescribed by the syllabus Karnatak University Dharwad & submitted the report for the partial fulfilment of **Financial Accounting - II** for the academic year 2022-2023

Staff member incharge

Head of the Department

University Seat No.

Examiners 1)

Examiners 2)

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MEANING OF FINANCIAL STATEMENT

The process of critical evaluation of the financial information contained in the financial statements in order to understand and make decisions regarding the operation of the firm is called 'Financial Statement Analysis'. it is basically a study of relationship among various financial statements, and the interpretation thereof to gain an insight into the profitability and operational efficiency of the firm to access its financial health and future propects.

The term 'financial analysis' include both analysis and interpretation the term analysis mean simplification of financial statement. Interpretation means explaing the meaning and significance of the data.

These two are complimentary to each other. Analysis is useless without interpretation and interpretation without analysis is difficult or even more impossible.

IMPORTANCE

1. Decision making:

They help investors, creditors and other state holders make informed decision about Investing, leading or otherwise engaging with company.

2. Performance Evaluation :

They Provide insight into a company's profitability liquidity, efficiency and overall financial health, allowing stake holders to access its performance over time.

3. Transparency :

Financial statement promote transparency by disclosing relevant financial information to state holder's fostering trust and accoundability.

4. compitance :

Companies are required by law to prepare and disclose financial statement according to accounting standards and regulation, ensuring compliance with legal requirements.

chapter 2.

Meaning of Balance Sheet.

A balance sheet is a financial statement that provides a snapshot of a campany's financial position at a Specific point in time it presents a company assets, liabilities and share holder's equity. showing how assets are financial through either debt or equity. The balance sheet adress to the fundamental accounting equation. Assets = liabilities + Equity shareholder's.

Advantages of balance sheet.

1. By comparing past balance sheets with the present balance sheet. The growth or decline of the business assets, loans and asset worth can be determined.
2. The balance sheet is used to calculate ratio's. Such as current ratio, acid test ratio, leverage ratio. This ratio are used to evaluate the financial performance of the business.
3. The owner may need to negotiate a long term loan on the basis of non-current assets values.

Disadvantages

1. Does not give accurate picture on real time basis since outdated valued of assets are used.

Meaning of profit | Loss account.

A profit and loss account also known as are income statement, is a financial statement that summarizes a company's revenues, expreses, and profits or losses over a specific period; typically a fiscal quarteo or years.

Profit / Loss = Revenue - Expenses.

A positive value indicates a profit, while a negative value indicates loss.

Several reasons:

1 Performance Evaluation:

It provides insignt into a company's financial performance over a specific period helping sharehold-ers asses its profitability and efficiency.

2. Decision making:

Investors, creditors and Management use the profit and loss statement to make informed decisions about investing, leading or operating activities.

BMW

BMW (Bayerische Motoren Werke AG) is a german multinational company that produces luxury vehicles and motorcycles. Some keys about BMW:

Historical Background.

1. Founded in 1916: BMW was established in 1916 as a manufacturer of aircraft engines.
2. First car: BMW produced its first car, the Dixi, 1929 after acquiring the Fahrzeugfabrik Eisenanch company.

Technological Innovations.

1. Engineering Excellence: BMW is known for its high-quality engineering and performance-oriented vehicles.

Market Presence.

1. Luxury market: It consistently ranks as one of the top luxury car manufacturers globally, competing with brands like mercedes-Benz and audi.

Financial Performance.

1. Revenue: BMW regularly reports high revenue figures, often exceeding €100 billion annually.

Sustainability initiatives

1. Sustainable production: BMW focuses on reducing emissions and increasing the use of recycled material in its production processes.

Motorsport Heritage.

1. Racing Success: BMW has a rich motorsport history, including success in touring car racing, formula 1, and endurance racing.

Challengs and future prospects.

1. Competiton: Intense competition from traditional rivals and new entrands in the electric vehicle market.

Here are some suggestions for BMW to maintain its competitive edge and continue its growth:

Innovation and Technology.

1. Enhance connectivity: Focus on integrating advanced connectivity features, such as over-the-air updates and smart home integration, to improve the user experience.

Sustainbility.

1. Energy efficiency: Implement more energy-efficient manufacturing processes and facilities.

Customer Experience:

1. Customer Service: Invest in improving customer service and after-sales support, ensuring a premium.

In conclusion, BMW has established itself as a leading player in the luxury automative industry through its committed to engineering excellence, technological innovation, and a strong brand presence.

Key Takeaways:

1. Collaborations: Forming partnerships with technology firms and other automakers enables BMW to leverage shared expertise and accelerate innovation.

2. Customer Focus: By enhancing personalization, customer service, and connectivity features, BMW aims to provide a superior ownership experience.

Future Outlook:

BMW faces both opportunities & challenges as the automative industry shift towards electrification and autonomous driving. BMW is well positioned to navigate these changes and sustain its leadership in the luxury automotive sector.

BMW Finance N.V.

Financial statements

Income Statement and Statement of comprehensive income for the year ended 31 December 2022

in euro thousand	Note	2022	2021
Interest income BMW Group companies		739,839	371,156
Interest income third parties		182,557	290,982
Interest related income		65,935	88,557
Interest and interest related income	[2]	**988,331**	**750,694**
Interest expenses BMW Group companies		(130,131)	(62,589)
Interest expenses third parties		(831,443)	(661,819)
Interest expenses	[2]	**(961,574)**	**(724,408)**
Interest margin	[2]	**26,757**	**26,286**
Other financial income and expenses	[3]	(2,486)	1,203
Impairment gain/ (loss) on financial receivables	[4]	(4,103)	(13)
Result from financial transactions	[5]	532,260	129,959
Financial result		**552,428**	**157,435**
Miscellaneous income & expenses	[6]	(1,828)	(1,753)
Income/(loss) before taxation		**550,600**	**155,682**
Taxes	[7]	(146,657)	(36,793)
Net income / (loss)		**403,943**	**118,889**
Other comprehensive income: **Items that can be reclassified to the income statement in the future**			
Cost of hedging (net effect after tax)	[12]	(2,102)	(5,748)
Total comprehensive income/(loss) for the period		**401,841**	**113,141**
Basic earnings/(loss) per share of common stock in euro			
From profit for the year	[12]	**115,412**	**33,968**

The total comprehensive income for the period is attributable to the shareholder of BMW Finance N.V.

The notes from page 14 to 42 form an integral part to the financial statements.

BMW Finance N.V.

Balance Sheet at 31 December 2022
Before profit appropriation

Assets in euro thousand	Note	2022	2021
Receivables from BMW Group companies	[9]	18,107,757	18,914,307
Derivative assets	[18]	814,400	664,738
Non-current assets		**18,922,157**	**19,579,045**
Receivables from BMW Group companies	[9]	23,731,120	21,695,068
Derivative assets	[18]	500,386	207,578
Interest receivables and other receivables	[10]	65,155	1
Deferred tax	[17]	829	-
Cash and cash equivalents	[11]	1,041	6,236
Current assets		**24,298,531**	**21,908,883**
Total assets		**43,220,688**	**41,487,928**

Equity and liabilities in euro thousand	Note	2022	2021
Issued capital	[12]	1,750	1,750
Share premium reserve	[12]	55,488	55,488
Cost of hedging reserve	[12]	(87)	2,015
Retained earnings	[12]	247,222	128,333
Undistributed income	[12]	403,943	118,889
Equity		**708,316**	**306,475**
Debt securities	[13]	15,839,913	22,338,418
Loans due to banks	[14]	1,230,819	2,003,028
Liabilities due to BMW Group companies	[15]	25,000	775,000
Derivative liabilities	[18]	2,070,167	345,505
Deferred Tax Liability	[17]	798	701
Non-current liabilities		**19,166,697**	**25,462,652**
Debt securities	[13]	8,318,096	8,973,612
Loans due to banks	[14]	443,660	720,487
Liabilities due to BMW Group companies	[15]	14,086,869	5,511,773
Derivative liabilities	[18]	316,692	316,589
Interest payables and other liabilities	[16]	180,358	196,340
Current liabilities		**23,345,675**	**15,718,801**
Total equity and liabilities		**43,220,688**	**41,487,928**

The notes from page 14 to 42 form an integral part to the financial statements.