

A STUDY ON TREND PERCENTAGE ANALYSIS

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ABSTRACT:

The study has been under taken with view to evaluate organizations financial position and to identify the areas where there is a scope of improving. This helps to understand and respond to dynamics of situations. This research is widely used in stock market research, analysis of financial statement, and other socio-science related researches. Trends Analysis is the most widely used and powerful technique of financial analysis. The main objective of the present study is to know the financial condition of the company.

KEYWORDS: financial position, Trend analysis, revenue pattern etc.,

INTRODUCTION

Trend analysis involves the collection of information from multiple time periods and plotting the information on a horizontal line for further review. The intent of this analysis is to spot actionable patterns in the presented information. Examine revenue patterns to see if sales are declining for certain products, customers, or sales regions.

REVIEW OF LITERATURE

BARUAN VARUAN (2007) attempted to evaluate the Master Share Scheme of UTI using data from 1980 to 1987. Their conclusion was that the Master Share Scheme outperformed the market in terms of assets value (NAV) and the Master Share Scheme (MSS) benefited large investors rather than small investors.

OBAIDULLA AND SRIDHAR(2007) Evaluated the performance of two major growth oriented mutual fund schemes- Master share and Canshare. They both concluded that both the funds provided abnormal returns. Master share out performed based on market risk.

SHASHIKANT UMA (2009) Critically examined the rationale and relevance of mutual fund operations in Indian Money Markets. She pointed out that money market mutual funds with low risk and low return offered conservative investors a reliable investment avenue for short-term investment.

OBJECTIVES OF THE STUDY

- To know the overall operational efficiency and performance of the high energy batteries.
- To interpret the financial position of company of is appropriate (or) not.
- To disclose to the extent possible other information related to the financial statements users.

ANALYSIS :

TREND ANALYSIS FOR BALANCE SHEET:

Trend analysis of balance sheet involves calculation of percentage changes in the balance sheet item for a number of successive years. This is carried out by taking the items of the past financial year used as base year and items of other years are used as percentage of the base year here 2013-2014 are taken as the base year.

TREND PERCENTAGE FOR TOTAL FIXED ASSET:

A fixed asset is a long term tangible piece of property than a firm owns and uses in its operation to generate income. Fixed asset are not expected to be consumed or converted in cash within in a year.

TREND % FOR TOTAL FIXED ASSETS =-CURRENT YEAR/BASE YEAR* 100

TABLE NO1

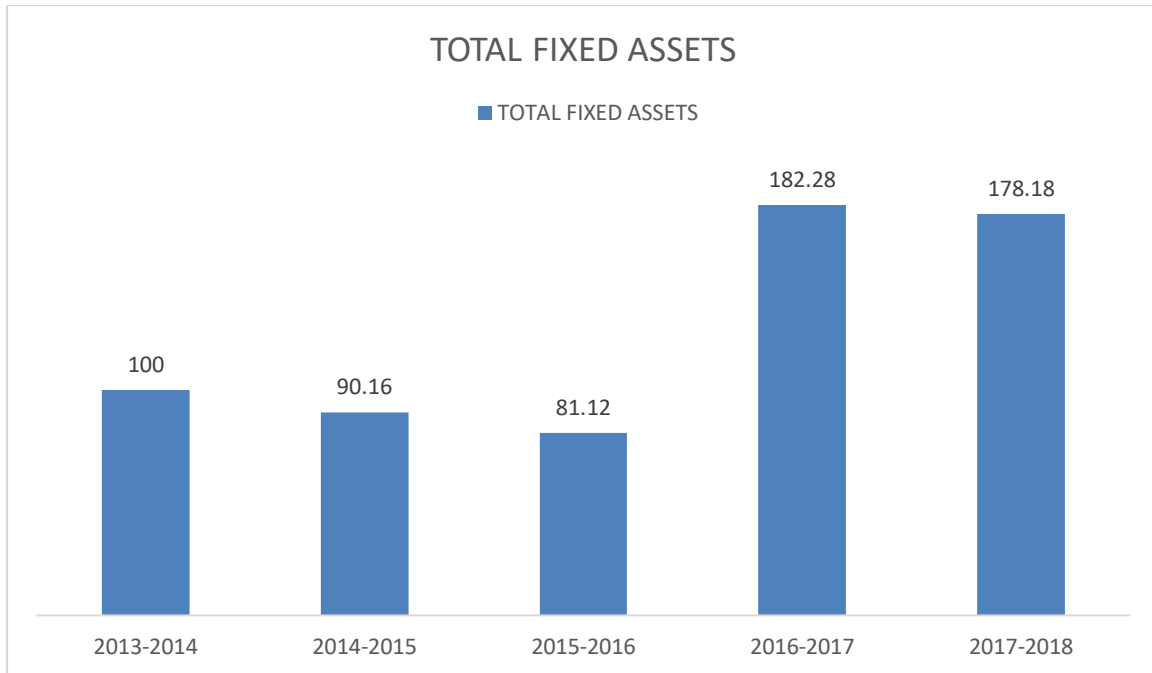
YEAR	TOTAL FIXED ASSETS	TREND %
2013-2014	19.02	100
2014-2015	17.15	90.16
2015-2016	15.43	81.12
2016-2017	34.67	182.28
2017-2018	33.89	178.18

INTERPRETATION:

From the above table it is inferred that the total fixed assets from 2013-2014 to 2017 - 2018. In that total fixed asset is getting decreased in further years. The ratio is higher in the table on 2014 - 2015,2018-2019And the value of2015- 2016 is the lowest value in the table.

TREND PERCENTAGE FOR TOTAL FIXED ASSETS:

CHART-1



TREND PERCENTAGE FOR TOTAL CURRENT ASSETS:Current assets represent all the assets of a company that are expected to be conveniently sold , consumed ,utilized or exhausted through the standard business operations , which can lead to their conversion to a cash value over the next one year period.

TREND %FOR TOTAL CURRENTASSETS =-CURRENT YEAR/ BASE YEARx 100

TABLE.2

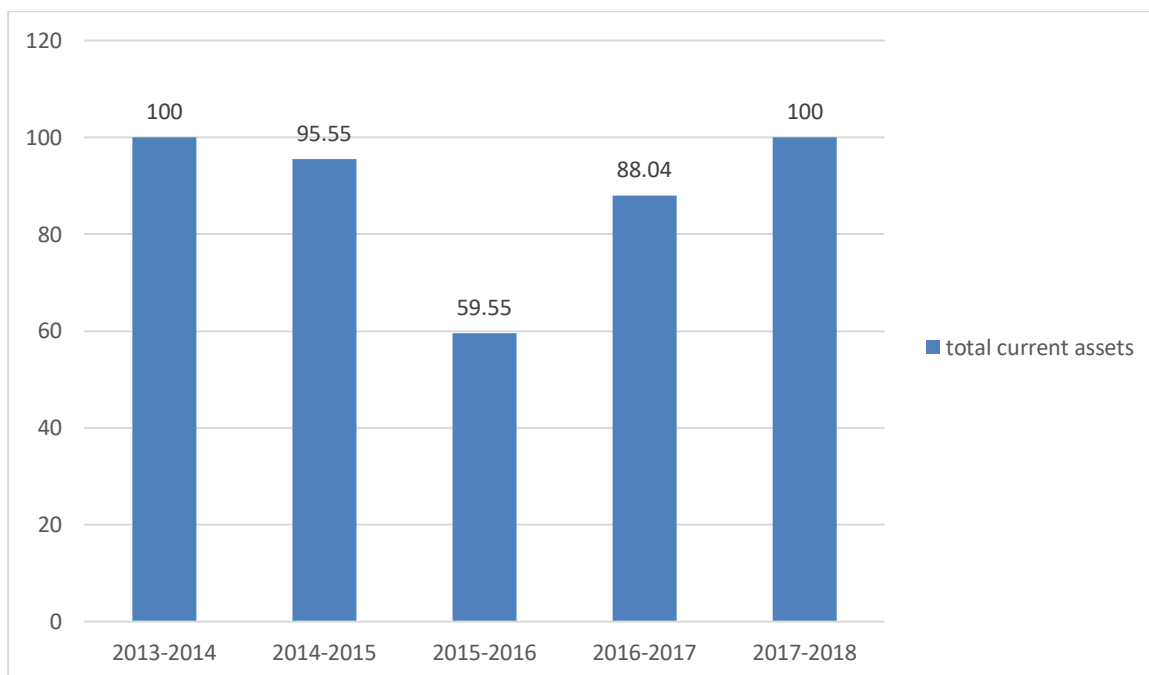
YEAR	TOTAL CURRENT ASSET	TREND %
2013-2014	44.09	100
2014-2015	42.13	95.55
2015-2016	26.26	59.55
2016-2017	38.82	88.04
2017-2018	44.09	100

INTERPRETATION:

From the above table it is inferred that the total current assets from 2013-2014 to 2017 - 2018. In that total current asset is getting decreased in further years. The ratio is higher in the table on 2014 - 2015,2018-2019And the value of2015- 2016 is the lowest value in the table.

CHART: 2

TOTAL CURRENT ASSETS:



TREND ANALYSIS OF PROFIT & LOSS ACCOUNT:

The profit & loss statement is a financial statement that summarizes the revenue, cost and expenses incurred during a specific periods, usually a fiscal quarter or year.

✓ **TOTAL INCOME:**

Income is money that an individual or business receive in exchange for providing goods and service or through investing capital.

Income is used to fund day to day expenditure. People aged 65 and under typically receive the megorilg of their income from a salary or wages earned by a job.

$$\text{TREND \% FOR TOTAL INCOME} = \frac{\text{CURRENT YEAR/}}{\text{BASE YEARX100}}$$

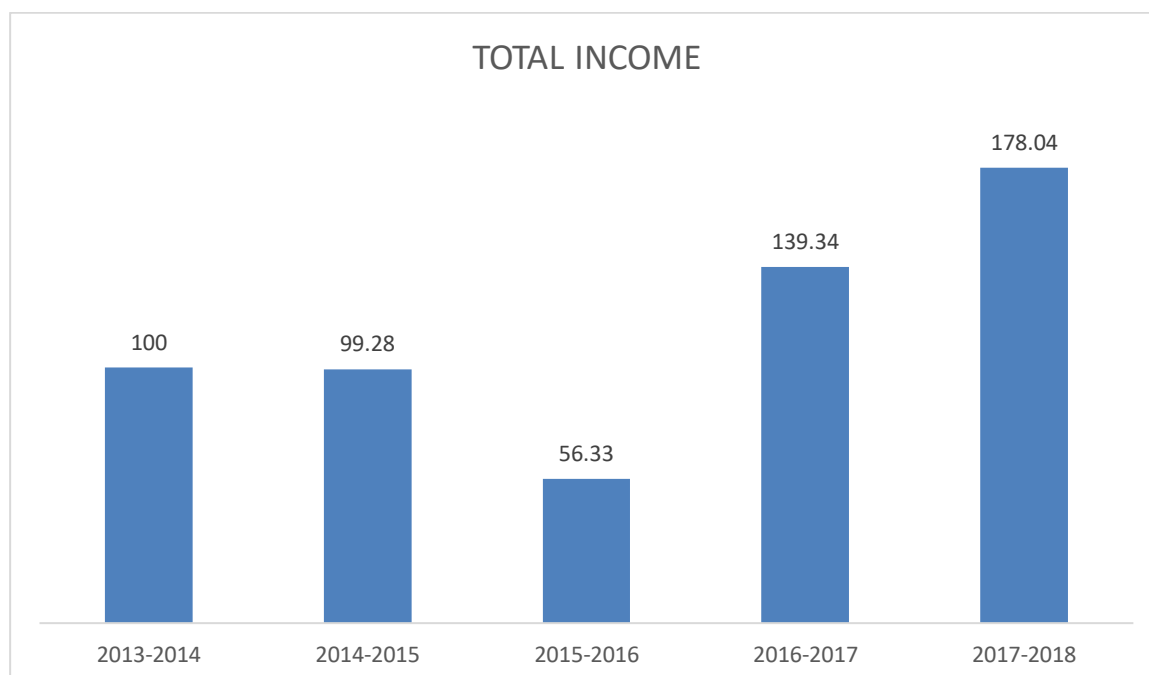
TABLE 3

YEAR	TOTAL INCOME	TREND %
2013-2014	36.12	100
2014-2015	35.86	99.28
2015-2016	20.35	56.33
2016-2017	50.33	139.34
2017-2018	64.31	178.04

INTERPRETATION:

From the above table it is inferred that the total income from 2013-2014 to 2017 - 2018. In that total income is getting increased in further years. The ratio is higher in the table on 2016-2017 and 2017-2018 the value of 2015- 2016 is the lowest value in the table.

CHART-3



TREND PERCENTAGE FOR PROFIT AFTER TAX:

Profit after tax is the total amount that a business earns after all tax deductions have taken place. Profit after tax also seen as an measure of a company's profitability after all its expenses have been deducted and can be fully utilized by the company to conduct its business.

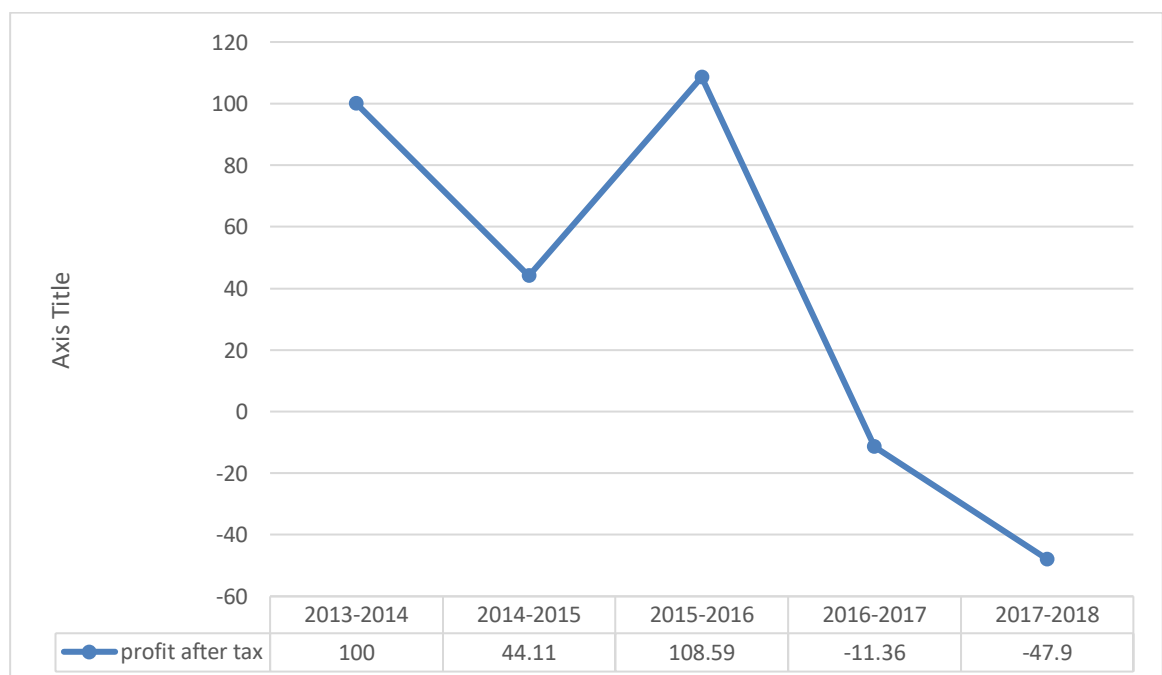
TREND % FOR PROFIT AFTER TAX =CURRENT YEAR/ BASE YEAR X100- TABLE 4

YEAR	PROFIT AFTER TAX	TREND %
2013-2014	67.65	100
2014-2015	51.04	44.11
2015-2016	12.67	108.59
2016-2017	82.79	-11.36
2017-2018	101.82	-47.90

INTERPRETATION:

From the above table it is inferred that the profit after tax from 2013-2014 to 2017 - 2018. In that profit after tax is getting decreased in further years. The ratio is higher in the table on 2015-2016 the value of 2015-2016, 2016-2017 and 2017-2018 is the lowest value in the table.

PROFIT AFTER TAX CHART4





FINDINGS

- Trend percentage for total fixed assets has been increased in the year 2017-2018 with 178.18%.
- Trend percentage for total current assets has been increased in the year 2017-2018 with 100%
- Trend percentage for total income has been increased in the year 2017-2018 with 178.04%.
- Trend percentage for total expenditure has been increased in the year 2017-2018 with 132.58%
- Trend percentage for profit after tax has been increased in the year 2016-2017 with 108.59%

SUGGESTION

- ❖ Company may look into maintain the current assets and current liabilities, current liabilities may reduce coming periods.
- ❖ It is suggested to the company can strongly focus on cost reduction strategy that will make a company more profitability.
- ❖ The company has better liquidity position and has to maintain same in the future.
- ❖ Ensure smooth running of the company's operation.
- ❖ The company has to increase the sales by increasing the demand for the product and it lead to improvement in profit. It can tie up with other countries to expand their business there by increasing the sales.

CONCLUSION

- ❖ It is found that the firm has invested huge fund in the current assets. The company has to effectively utilize the firm's resources in order to increase the productivity and it will improve the profit. For every organization it is important to analyze the financial position there by using trend analysis method.
- ❖ It provide the proper financial position for every year. It will further improve the company financial position.

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