

A STUDY ON RATIO ANALYSIS TOWARDS SAIL AT SALEM

Stalin¹, Manickam G², Venkatesan. D³, Gayathri.S⁴

Department of business administration

Dhanalakshmi Srinivasan College of arts and science for women (Autonomous)

ABSTRACT:

Finance is that the life blood of business. It's justly termed because the science of money. Finance is incredibly essential for the sleek running of the business. The main aim money analysis is that the higher understanding of aims position and performance. In alternative words, it's meant to own assessment financial analysis refers to the method of crucial money strength and weakness of firm by establishing strategic relationship between the things of the balance sheet, profit and loss account and alternative operative information.

INTRODUCTION OF RATIO ANALYSIS:

Ratio analysis could be a technique of study and interpretation of economic statements. As compared to alternative tools, the magnitude relation analysis provides helpful

conclusions concerning numerous aspects of the operating of AN enterprise. It's the method of analyzing and decoding the assorted ratios for serving to in higher cognitive process.

Ratio analysis could be a powerful tool of economic analysis it's one amongst the statistical yardsticks that offer relationship between 2 accounting figures.

Ratio analysis of economic statements refers to the method crucial and presenting the connection of things and cluster of things within the statement.

Ratios is also expressed in three forms:

a) As a quotient 1:1 or 2:1 etc.

b) As a rate

I.e. inventory turnover as number of times in year

c) As a percentage

FINANCE:

Finance is totally necessary for the survival and smooth movement of a business. Finance is important to push a business, purchase of products and market them. Each endeavour is required finance. According to Wheeler, "Finance is that endeavour that is concerned with the organization and oral communication of capital funds in meeting financial wants and overall objectives of a business enterprise"

FINANCIAL STATEMENT:

A financial statement is an organized assortment of data in step with logical and consistent accounting procedure. It refers to combination of statements like balance sheet, profit-and-loss statement, retained earnings etc. It is derived from the accounting records maintained by the firm. Financial statements are prepared for the purpose of presenting a periodical report on the financial position and results (P&LA/C).

RATIO ANALYSIS:

Ratio analysis not only throws light on the financial position of a firm but also serves as a stepping stone for comparison with its competitors. If the results are discordant either with the business average or with those of the competitors, the firm will look for the probable reasons and, if necessary, take remedial measures.

OBJECTIVE OF THE STUDY:

To study and analyze the financial position of the corporate. To investigate the profitability position of the corporate. To work out the economic condition of the company. To recommend measures for effective and economical usage of inventory. To allow valuable suggestions to the organization. To search out the trend position of the corporate for 5 years.

HYPOTHESIS OF THE STUDY

The following hypotheses are proposed, whereas satisfying immediate obligations (Khan, 1998, framed and tested within the study: indeed, liquidity could be a pre-requisite for the success of a business.

H0.1. there's no important distinction within the money neither excessive nor inadequate. The failure of a Performance of known units within the industry company to satisfy current obligations thanks to lack of In India with reference to liquidity position. sufficient liquidity can end in poor credit good.

H0.2. there's no important distinction within the money and loss of creditors' confidence. Again, a awfully high Performance of known units within the industry degree of liquidity indicates idle assets that earn nothing. In India With reference to economic condition position. Thus, it's necessary to strike a correct balance between.

H0.3. there's no important distinction within the money the 2, i.e. high liquidity and lack of liquidity for economical Performance of known units within the industry money management and to optimize profit (Pander), in India with reference topotency position.

H0.4. there's no important distinction within the money the necessary liquidity ratios are:

- (i) Current magnitude relation, Performance of known units within the industry.
- (ii) Acid-Test magnitude relation or fast magnitude relation.

RESEARCH METHODOLOGY:

RESEARCH

Research could be a method during which the researchers want to search out the tip result for a given downside and so the answer helps in future course of action. The research has been outlined as "A careful investigation or enquiry particularly through search for new facts in branch of information.

RESEARCH DESIGN:

An analysis style or model indicates an idea of action to be meted out in reference to a projected research work. the look is also specific of the assorted steps within the method of analysis. Analytical in nature, that the investigator must use facts or data already on the market, and analyze these to form an essential analysis of the performance.

DATA COLLECTION:

Primary sources:

Data square measure collected through personal interviews and discussion created with Finance government.

Secondary sources:

Data square measure collected from the Secondary informations maintained by the corporate. informations square measure collected from the company's internet portal (Website). Books and journals concerning the subject.

FINDINGS & SUGGESTIONS

After interpretation and analysis, sure suggestions to the company are, magnitude relation analysis might increase the fund for fulfill the present insufficiency of rendering the welfare measures. The organization might conduct the worker welfare policy as clear for management in deviation of welfare facilities. The organization might concentrate in accessing the performance of workers and in job promotion. The management takes adequate steps to extend the position by economical management of current assets and current liabilities. The organization must maintain bring home the bacon the organization goal potency. the corporate ought to utilize its mounted assets in AN economical method. the corporate ought to maintain the inventory levels properly. The sales ought to be inflated within the company. the corporate should take steps to utilize the asset expeditiously. The proportion of debt equity magnitude relation must be improved for the soundness of the corporate

CONCLUSION:

In the study by analyzing and decoding victimisation the magnitude relation Analysis, certain ratios square measure in acceptable rate and sure ratios aren't within The acceptable nce examination all the ratios the performance of the firm is optimistic and therefore the company is decided in delivering sturdy money performance and economical use of assets.

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