

Ref :

Date :
Date: 30.03.2018

TO WHOMSOEVER IT MAY CONCERN

Project Certificate

This is to Certify that MR. DEVINDRAPPA, USN : 1AZ16MBA19, From Acharya Institute of Technology , Bangalore has Successfully Completed Project Work on “ A STUDY ON FINANCIAL PERFORMANCE ANALYSIS WITH REFERENCE TO MAGNUM ENTERPRISE BANGALORE “ Under The Guidance of Ms. Kavitha H C Senior Accountant , Finance Department, Magnum Enterprise Bangalore From 15.01.2018 To 24.03.2018. During his stay at Magnum Enterprise, his Character was found good.

We Wish Mr. Devindrappa, All The Best In His Future Endeavours.

FOR MAGNUM ENTERPRISE

FOR MAGNUM ENTERPRISES

Kavitha.H.C.
(Signature)

Kavitha .H.C

(Senior Accountant)



ACHARYA INSTITUTE OF TECHNOLOGY

(Affiliated to Visvesvaraya Technological University, Belagavi, Approved by AICTE, New Delhi and Accredited by NBA and NAAC)

Date: 15/05/2018

CERTIFICATE

This is to certify that **Mr. Devindrappa** bearing **USN 1AZ16MBA19** is a bonafide student of Master of Business Administration course of the Institute 2016-18 batch, affiliated to Visvesvaraya Technological University, Belgaum. Project report on “**A Study on Financial Performance Analysis**” at **Magnum Enterprise, Bangalore** is prepared by him under the guidance of **Dr. Virupaksha Goud G**, in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belgaum, Karnataka.

Signature of Internal Guide

Signature of HOD

HOD of the Department
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Soladevanahalli, Bangalore-560 107

Signature of Principal

PRINCIPAL

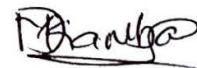
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DECLARATION

I, DEVINDRAPPRA hereby declare that the project report entitled "A STUDY ON FINANCIAL PERFORMANCE ANALYSIS" with reference to "MAGNUM ENTERPRISE" BANGALORE Prepared by me under the guidance of DR. VIRUPAKSHA GOUD faculty of MBA Department, Acharya Institute of Technology, Bangalore and external assistance by MS.SAVITHA H C Senior accountant Finance Department. MAGNUM ENTERPRISE, Bangalore. We also declare that this project work is towards the partial fulfilment of the University regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belgaum. We have undergone a summer project for a period of twelve weeks. We further declare that this project is based on the original study undertaken by us and has not been submitted for the award of any master degree from any other University.

Date : 29/05/2018

Place: Bangalore



Signature of the student

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I express my profound gratitude and sincere thanks to **DR. S C PILLI** Principal of Acharya Institute of Technology, Bangalore.

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I would like to express my sincere thanks to all the staff members and all other individuals who helped me in completing this Project Report.

DEVINDRAPP

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EXECUTIVE SUMMERY

A Project assistances us to study new things, new skills and to discover ourselves in the corporate world by providing us practical experience. Project assistances us in building career network and it helps us to extend our thinking and learning.

A project report was carried on at Magnum Enterprise for 10 weeks on the topic “A study on financial performance analysis”. Financial performance analysis is an significant process which scrutinizes and interprets the financial statements of the concern which assistances the concern to expansion the knowledge about the profit gaining ability of the concern, to know about liquidity position of the concern and using this analysis concern can also introduces new techniques to improve concern’s financial stability. Ratio analysis is most important component for the company to measure its position in many aspects.

CHAPTER 1 INTRODUCTION

1.1 INTRODUCTION

Financial performance analysis is an important measure which examines and interprets the financial statements of the concern which helps the concern to gain the knowledge about the profit gaining ability of the concern, to know about the liquidity position of the concern and using this analysis concern can also introduce new techniques to improve concerns financial ability. The financial administration of any association must consider the relative study proceeding years financial statement of the association.

Project has given to me an idea of how effectively firms make use of resources in order to generate revenue and to assess the liquidity position of the company. Project helped me a lot of to find out the difference between the theoretical knowledge and practical exposure.

INTRODUCTION TO FINANCIAL PERFORMANCE ANALYSIS

The Financial statements afford certain very suitable information for the point that balance sheet reflects the financial place on a specific date in positions of the arrangement to the owner's equity, liabilities and assets as well as so on to the and the P and L account displays the outcomes of processes during the certain period of time in relations of the incomes attained and the price sustained the year. Therefore, the financial statements deliver a brief sight of the financial point and processes of a firm. for that reason, much can be cultured about the firm from a watchful assessment of its financial statements as important papers performance information. The examination of financial statements is hence, a significant assistance to financial examination.

The focal point of financial analysis is on basic numbers in a financial statements as well as the important connection that happens amongst them. The examination of financial statements is a procedure of calculating the connection between components part of financial statements to gain a improved understanding of the organization's place and performance. The main job of the financial analyst is to choice the information related to the choice below deliberation of the whole information enclosed in the financial statements. The next stage is to set up the information in a method to underline major connections. The last step is understanding and sketch of interpretations and termination. In fleeting, the financial analysis is a procedure of choice, relative and valuation.

1.2 INDUSTRY PROFILE AND COMPANY PROFILE

INDUSTRY PROFILE.

The records of textile are approximately as antique as that of man or women civilization and as time moves on, the records of fabric has extra enriched itself. In the sixth and seventh century BC, the oldest recorded sign of the use of yarn comes with discovery of flax and wool fabric at the dig of Swiss lake populace. In India the lifestyle of silk become delivered in 400AD, whilst turning of cotton lines again to 3000 BC. In china, the innovation and next improvement of sericulture and rotate silk strategies were given initiated at 2640 BC at the same time as in Egypt the art of rotating linen and weaving evolved in 3400 BC. The innovation of machines and their regular utility in processing natural fibres became a right away outcome of the industrial rebellion of the 18th and 19th centuries.

Indian fabric phase is one of the oldest enterprises in Indian economic system earlier than many centuries. Nowadays, fabric region is also going to make a contribution approximately 13 according to cent of overall export in Indian economic system even fabric Industry also including extra labours and it is growing extra employment in India. Textile industry specially consist two essential segments .First one is organised zone it consist spinning , apparel and clothes which observe current machinery and techniques. In the fabric industry employs about forty four million humans at once and 21 million human beings in a roundabout way. India's overall fabric export is for the duration of financial year 2015-16 stand at 41 billion.

The Indian textiles industry is very special, with the hand-spun and hand-woven textiles sectors at one give up of the variety, whilst the capital intensive complex generators quarter at the other give up of the range. The decentralised electricity looms/ hosiery and knitting region form the biggest detail of the textiles area. The close relation of the textile enterprise to agriculture (for uncooked substances which includes cotton) and the earliest subculture and customs of the united states of America in terms of textiles make the Indian textiles region single in similarity to the industries of different nations. The Indian fabric industry has the capability to provide a huge type of products becoming to exclusive market segments, each within India and internationally.

TYPES OF TEXTILES

- 1) Polyester
- 2) Cotton
- 3) Nylon
- 4) Wool
- 5) Silk

INDIAN TEXTILE HISTORY

Indian fabric appreciates a wealthy inheritance in addition to the basis of fabric in India pointers lower back to the Indus valley improvement in which persons used normal cotton for weaving their cloths. Rigveda, the original of the Veda includes the mythical facts approximately fabric and it refers to weaving. Ramayana and Mahabharata, the famend Indian epics represent the subsistence of vast range of fabric in earliest India. These epics refer each to wealthy and stylized garment damaged via the higher elegance and regular easy cloths damage d by way of the not unusual human beings. The fashionable Indian textile no longer handiest reflects the appropriate beyond however additionally cater to the needs of the contemporary times

TEXTILE INDUSRTY IN INDIA

The fabric and garments industry fulfils a crucial function inside the Indian economic system. It is a primary foreign exchange earner and, after agriculture, it is the biggest employer with the total paintings strength of 35 million. In 2005 fabric and clothes accounted for approximately 15% of industrial making and 17% of export income. The enterprise covers a ample range of overall performance. These encompass the manufacturing of Natural uncooked fabric along with cotton, jute, silk, and wool, as well as artificial thread and spun fibre. In adding an substantial range of finished products are made.

The Indian fabric enterprise money owed for about 24% of the arena's spindle potential. Making it the second highest after china and round 7% of global rotor potential. Also, it has the most looms with a sixty two% proportion. India money owed for approximately 13% of the sector's manufacturing of textile fibres and yarns. This includes jute, of which it's far the largest manufacturer. This is a the second one largest producer of silk and cellulose fibre and yarn, and the fifth largest producer of synthetic fibre and yarn.

BENEFITS OF INDIAN TEXTILE INDUSTRY

- India covers sixty two % of the Global textile market.
- India covers 23 % of the global marketplace.
- India is thought to be the 0.33 largest manufacturer of cotton throughout the globe.
- India claims to be 2nd biggest manufacturer as well as contributor of cotton yarn and textiles within the international.
- India holds approximately 26 % proportion inside the cotton yarn enterprise throughout the globe.
- India contributes to round thirteen % of the world's production of cotton yarn and textiles.

GDP IN INDIA'S TEXTILE INDUSTRY

India holds 23 percentage within the textile market in Europe and 43 % percentage within the garb marketplace of the USA holds 11 % and 33.7 % stocks in Indian fabric and clothing. A small quantity of other worldwide international locations other than USA and Europe, wherein India has a substantial presence encompass UAE, Saudi Arabia, and Canada. Bangladesh, China, Turkey and Japan readymade clothes Accounts for 46 % shareholding inside the general fabric exports and seven.9 % in export production of India.

COMPANY PROFILE

Magnum Enterprises has established in the year of 1969, Bangalore and Head office is located in Kolkata. They are basically Exporters of cloths, they are selling their Cloths to Reliance Trend and even they are Exporting their Cloths to USA, France, and other Major Countries.

PRODUCTS CATEGORY

- Ladies Garments
- Men's Garments
- Kids Garments
- Shirts
- Jeans

1.3 PROMOTERS

1. Aditya Banthia
2. Karuna Bantia
3. S K Banti

1.4 VISION, MISSION AND QUALITY POLICY

VISION

“Be the number one company from sales and volume standpoint in the textile industry.”

MISSION

“Develop, produce and distribute Fashionable Cloths with quality and competitive price, making clients and consumers happy.”

QUALITY POLICY

Magnum Enterprise doesn't think differently when thinks about efficiency. Our infrastructure is quality oriented and drives us to make our process even more reliable. Investment, training and making smart choices are important because they show our capacity to compete local and internationally, and commitment to international quality standards.

In order to quality job we believe that constant investments are necessary, not only on infrastructure but especially in our human resources, offering a great place to work promote harmony, innovation and happiness.

1.5 PRODUCTS OR SERVICE PROFILE

- Ladies Garments
- Men's Garments
- Kids Garments
- Shirts
- Jeans







1.6 INFRASTRUCTURE FACILITY

The group's production facilities are specifically designed to meet the needs of domestic and export markets. The production process at each stage of production is planned in minutes through advanced planning combined with state-of-the-art and advanced machines. Magnum Enterprise With this vision and the wings of modern technology being managed, a tremendous leap was achieved by establishing two brand-new technology manufacturing plant units; one in Kolkata as well as one more same related in Bangalore.

This in house work plant helps us to well control worth and price. In addition, it is also strengthens our supply chain management, which is in detail the support of all industries.

Since then, we have never looked back. Both factories are making full use of manpower, machinery and other resources.

Kolkata production facilities:

The Kolkata manufacturing plant was put into use in 1969. The actual manufacturing area of the factory is less than 100,000 square feet. The facility produces 50,000 products each day and is equipped with state of the art industrial stitching machines, Biererebi die cutting and Lectra cutting resolutions, and the highest precision of laser cutting skill. The cutting section is being supported by the Advance CAD-CAM system to make the best use of this technology. There are currently more than 1,000 employees working tirelessly in this factory to meet market demand.

Bangalore Manufacturing Factory:

Bangalore Manufacturing Factory also has good worker infrastructure and production base here, modern equipment and modern equipment similar to the Kolkata plant were established, with a capacity of three times that of the Kolkata plant.

Magnum Enterprise has a well-established manufacturing division at two places catering to different segment of product.

- Ladies Garments
- Men's Garments
- Kids Garments
- Shirts
- Jeans

They are well equipped with all manufacturing facilities with modern styles. Magnum Enterprise has 2 manufacturing units in India.

Kolkata: Head office

Bangalore division: Branch office

1.7 COMPETITORS INFORMATION

In clothing industry numbers of competitors are there in the market, Magnum Enterprise is facing following competitors in the market.

1. Arvind limited
1. Scott's garments private limited
2. Mother land garments
3. Mukesh clothing co
4. JD Clothing company
5. Goodwill Fabrics pvt.
6. Gokaldas Exports private limited

1.8 SWOT ANALYSIS



STRENGTHS

1. Strong quality Products
2. Development and innovation of new style products
3. Loyal customer towards our products
4. Medium price products
5. People trust our products with highly satisfied
6. We are exporting our products up to international market
7. Highly trained employees
8. Company achieving is target with new customers

WEAKNESS

1. There are more no of competitors in the market
2. Still suffering to attract new customers
3. Lack of soft skills in employees
4. Lack of awareness about the customer needs and wants
5. there is no research and development department
6. Lack of Attractive advertisement about their products

OPPORTUNITIES

1. Constant sales in the market
2. Large growing market up to all over India
3. Nowadays international customers are going to increase
4. All innovative new brands are going to increase the sales
5. Through attracting international customers company have chances to enter into the global market

THREATS

1. Employees doesn't having soft skills
2. Lack of proper training and development to employees
3. Still facing the competition in the market
4. Lack of awareness about the international market
5. There is huge competition in the market
6. Regional trade alliances

1.9 FUTURE GROWTH AND PROSPECTUS

Increase geographic penetration by promoting exclusive brand outlets. Strengthening trade and outsourcing services, and attracting new customers in the market as well as facing the competitors in market. Achieve the target in the right time with proving the products as per customer's expectation.

- Strengthen existing brands and introduce more brands.
- Improve the cost structure.
- Pursuit of potential strategic acquisitions to complement existing brand portfolios
- With the increase in the number of brand outlets, the increase in geographic location
- Integrated player with low-cost outsourcing capabilities
- Clothing exports under the brand
- The increase in the female labour force in the service industry heralds the wear ability of Indian women.
- Personalized style and tailoring.
- Indian apparel is the most popular in traditional settings.

CHAPTER 2

CONCEPTUAL BACKGROUND AND LITERATURE REVIEW

2.1 THEORETICAL BACKGROUND OF THE STUDY

The term "performance" cannot be placed within a strictly defined agenda. This is a humble phenomenon. It can be understood and dignified in dissimilar methods. Dissimilar consumers can calculate from different perspectives and performances from their own perspective. Financial analysts will judge performance from the perspective of profitability and growth. Economic planners will focus on the equal distribution of income and wealth to make effective use of resources. Welfare economists will focus on the equal distribution of marginal use of income and wealth. From a national perspective, performance indicators can be job creation, studies and development, health schooling and financial development. The evaluations of the parties are distinct. Shareholders are interested in profits because their control is interested in the development of the organisation. Therefore, regardless of dimensions, profitability and growth must be considered when analysing agency performance. Some researchers have used profitability and growth as performance indicators.

Financial Efficiency:

Financial performance is a measure of the organisation's potential to translate monetary resources into assignment-related sports. Regardless of the individual's task or structure, all organizations want to improve their financial efficiency. It dealings the strength of the organisation's use of its assets to produce total revenue. Financial performance measures the effects of production, procurement, Pricing, financing, and marketing selections. At the micro degree, economic efficiency refers to the efficiency of competition at the intermediate point in time when resources are reasonably allocated. Organizations manage major trade-offs when using their Financial resources. Financial efficiency is visible as efficiency, a management manual to enhance efficiency, and the degree of profitability, productivity, liquidity, and capital energy may be used as the final evidence of monetary efficiency. Interestingly, sometimes, even if there is enough profit to cover inefficiency, on the contrary, you can use

Performance and Efficiency:

The term "efficiency" as defined inside the Oxford Dictionary states: "Efficiency is the accomplishment or capability to complete a process with the least amount of effort and time." It refers back to the inner system that ends in output. It makes a speciality of the method. To obtain the preferred aim. Non-fats and speedy compliance with procedure or system approaches is a measure of efficiency. Providing a exact quantity and satisfactory of provider with a minimal level of resources that may fulfil the specification calls for performance metrics and/or signs. These consist of productivity measures, service gadgets, and so forth. These measures help to minimize the resources to achieve organizational goals. Performance refers to the performance or completion of work that result from a specific behaviour, behaviour or process. However, the response or the way or efficiency of achieving something is clear as presentation. Therefore, performance can also suggest various things to exclusive corporations. The economic fulfilment or failure is judged based totally on the predicted return on funding capital and the agency's concern. When expertise the time period overall performance, a clean difference wishes to be made among overall performance measures and performance indicators. Performance assessment needs to be based at the causes and outcomes of cat assessment coverage interventions, whilst performance signs are not specific enough and commonly provide most effective slight overall performance indicators.

Performance Measurement

According to Tripathi, "measurement refers to the characteristics of the person, state, or event of an object and is disbursed according to policies. It isn't the object, the character, the state, or the event itself, however some of its traits. When we computing items measure company performance the first requirement was that human thoughts and goals were to be considered as the basis for multiple types or related connections.

Analysis of Financial Performance:

In short, companies, managers, shareholders, tax authorities, tax authorities and other relevant groups seek responses to the following significant questions:

- (1) What is the economic status of the organization at a selected point in time?
- (2) How is the organisation's monetary performance over a time frame?

These questions may be responded with the help of the enterprise's monetary evaluation. Financial evaluation related to the usage of financial statements. Financial statements are prepared collections of statistics primarily based on regular accounting processes and conceptual frameworks. Its cause is to convey knowledge of sure economic aspects of industrial organizations. It may also display a role at some point inside the balance sheet, or it could display a sequence of sports over a time period, including a assertion of income. Therefore, the term "financial statements" relates to two fundamental statements: The stability sheet indicates the agency's monetary function at a given point in time. It offers a picture that may be considered as a static photograph. "The stability sheet is a precis of the company's economic function on a given date

Total assets = total liabilities + owner's equity.

India's statement of income and loss displays the overall performance of the organisation over a time frame. "The income announcement is a summary of the employer's profits and prices over a time period, finishing with a internet income or loss on the stop of the period." However, the economic statements do not divulge all records related to the business enterprise's economic operations; however they offer some very useful records. This data highlights two critical elements of profitability and monetary soundness. Therefore, financial declaration analysis is an crucial useful resource to economic performance analysis. Financial performance evaluation includes analysis and assessment of monetary statements to diagnose the employer's profitability and economic stability. "Financial statement analysis is the system of assessing the connection among the components of the economic statements to higher understand the positioning and performance of the corporation." Financial Performance Identification Through the proper establishment of relationships, the company's financial strengths and weaknesses, balance sheet items and profit and loss Relationship

between table items. The first project is to choose facts associated with the selection primarily based on all of the statistics contained in the economic statements. The 2d is to set up statistics by highlighting essential relationships. Finally the rationale and drawing of reasoning and conclusions. In summary, "Analysis of monetary performance is the process of preference, courting, and evaluation."

Financial Performance Analysis:

Financial analysts often examine the corporation's production and productivity overall performance, earnings performance, liquidity performance, operating capital performance, constant asset overall performance, capital float overall performance, and social overall performance. However, in the current study, the monetary reputation of magnum business enterprise is measured in the following components:

1. Working capital analysis
2. Analysis of financial structure
3. Activity analysis
4. Profitability analysis.

Operational efficiency:

The working productivity of a business is the capability to make the most of its available resources, and operational efficiency can be judged based on financial efficiency. It can be said that the profitability ratio and the turnover ratio itself cannot provide a good indicator of operating efficiency. Operational efficiency Banking involves multiple aspects, such as cost-effective profitability of operations, customer service, loans for key industries, credit deployment in rural and fall areas, and deployment of payments. In short, it is the use of existing resources to carry out business activities in the automotive industry, which shows that it has provided customers with success in the failure of automotive products.

Evaluation Concept:

The assessment is carefully associated with the assessment of the employer's normal work system. According to Sudha Nigam, "Assessment is a technique that assesses past and modern-day expectations of overall performance." It is a powerful utility tool for checking, measuring, deciphering and weighing criticisms and extracting outputs. Different

professionals evaluate their organization's particular problems. The evaluation may be divided into parts (i) internal (ii) outside. According to Peter Francis, "The inner evaluation of the organisation not only method that a few humans have sufficient human, cloth, and monetary assets, but additionally they are employed optimally."

The concept of financial overall performance assessment:

In short, financial assessment is a systematic assessment of the profitability and financial energy of any organization. In truth, monetary evaluation is the technique of anatomically studying financial and operational information contained in profit and loss money owed and stability sheets. These statistics are the facts desires of inner and outside customers who satisfy these records. On the other hand, the monetary assessment is based totally on this scientifically reasonable method of scientifically and moderately evaluating the profitability and financial situations of concern. From this it may be seen that the analysis of the economic statements is in the direction of the analyst or the management. The effects of the tier money owed are evaluated financially. These effects are decided via the control selection-making technique. Therefore, its miles apparent that monetary statements, in other words, financial evaluation are the quit of the non-stop waft of the accounting cycle. It begins with the class, recording, précis, Presentation and evaluation of statistics, and explains the facts. The evaluation and interpretation of the economic statements will cause the display of data and help the enterprise managers, investors and creditors in addition to other businesses interested by the monetary reputation and running performance of the business enterprise. We see it as an X-ray economic and financial records era. We will manner a economic declaration that includes the method of integrating and summarizing the monetary and operational data contained within the economic statements to benefit insights into the corporation's operating activities. The status and progress of the company. By forming a strategic courting among the diverse components of the balance sheet and the profits declaration and other legitimate information, the financial analysis ultimately exhibits the meaning and significance of the numerous gadgets disclosed inside the economic statements. It is likewise known as the company's economic blueprint. As referred to in advance, the primary and important economic statements that organizations are involved with are the profits announcement and the stability sheet.

Performance assessment goals

- (a) Find out the financial stability that companies are concerned about
- (b) To assess its profitability
- (c) Estimating and evaluating its stocks and fixed assets.
- (d) Assessing its ability and potential to pay off short-term and long-term loans
- (e) Estimating and analysing the possibility of destiny increase
- (f) Estimating the executive performance of management

Financial Statements:

The term economic declaration refers to the collection of organized statistics. Corporate monetary statements are necessary to attain the organization's average goals. Accounting standards and conventions expose their monetary facts.

The financial statements are extensively divided into statements:

- I. Income Statement (Transaction, Income Statement)
- II. Balance sheet In addition to the above economic statements,

The following statements are supported to fulfil the needs of the business enterprise: Retained Earnings Statements

- Statement of Changes in Financial Position
- The significance and importance of economic statements are as follows:

Financial Statement Analysis Users:

Different categories of people are inquisitive about economic assertion analysis to evaluate the financial and monetary fame of any employer or industry in phrases of profitability, liquidity, or solvency. This human frame consists of:

•Shareholders:

The divorce among possession and management and the sizeable ownership of capital because of the dispersal make individuals pay more interest to the economic statements to decide the enterprise's profitability and monetary strength.

•Debt Holder:

The denture holders are very interested by the short-time period advantages and lengthy-time period solvency of the organisation. They should often receive their hobby bills and finally go back the predominant.

- **Creditors:**

The potential deliver of goods and substances and different suppliers with whom the organisation conducts business are inquisitive about the organization's liquidity repute.

RATIO ANALYSIS

Ratio analysis is a method of analyse the company financial position and performance, with the help of ratios we can analyse financial performance.

1. Current Ratio

As stated earlier, the organization's present belongings are the ones assets that can be transformed into cash in a short time frame (typically no multiple year) within the regular path of business, consisting of cash and bank balances, marketable securities, raw substances, and semi-completed products (In the list of merchandise) and finished items, bills receivable for terrible and dubious debts, notes receivable and prepayments are deducted. Obligations described as short-time period performance obligations (which have been at the start set for 365 days) include alternate lenders, notes payable, financial institution credit, tax reserves, and dividends payable and specific expenses.

$$\text{Current Ratio} = \frac{\text{current assets}}{\text{Current Liabilities}}$$

2. Quick ratio

Fast assets are described as belongings that may be fast converted into coins. When calculating rapid belongings, we do not consist of the very last stock and different current assets in cutting-edge assets, along with pay as you go costs, prepaid taxes, and so forth. It is calculated as a supplemental examination of the liquidity reputation of the organization and is therefore also called the "acid test ratio."

$$\text{Quick Ratio} = \frac{\text{Quick assets}}{\text{Current Liabilities}}$$

3. Net Profit ratio

It is also called net margin. This measures the relationship among net income and sales of a company. When income fees fall, production prices rise, and demand for products declines, excessive net earnings margins will ensure that house owners get hold of sufficient returns and the company can resist unfavourable economic situations.

The profit price has to be low, and the low profit fee has the other impact. However, if the business enterprise with a decrease income margin has a better turnover, a higher go back on investment can be received. The following discussion wills element this factor. Therefore, it need to be evaluated primarily based on the turnover fee. In different phrases, the overall charge of go back is the made of the internet income price and the investment turnover fee. , Gross margin and internet margin must be a mixture of terms.

$$\text{Net Profit ratio} = \frac{\text{Net profit}}{\text{Net Sales}} * 100$$

4. Return on asset ratio

This ratio determines the relationship between net earnings and assets. Since there may be a conceptual distinction among the 2 terms, the ratio can be calculated in keeping with the purpose and intent of the evaluation primarily based at which means of the time period. The following components are generally used to determine the go back on total property.

$$\text{Return on asset ratio} = \frac{\text{Net Income}}{\text{Total assets}} * 100$$

5. Gross profit margin ratio

The gross profit margin is likewise called gross margin. It is calculated via dividing gross earnings via sales. Thus, the gross profit margin represents the restriction of the autumn in income charge beyond the allowable range. Gross income is the result of the relationship between charge, sales quantity and cost. Changes in any of these elements might also bring about adjustments in gross margins. Security deposit. In addition, the gross margin/gross margin also can be used to decide the extent of theft, harm, harm, and many others. to the ones businesses that follow the constant gross margin policy pricing product.

$$\text{Gross Profit Margin} = \frac{\text{Gross profit}}{\text{Sales}} * 100$$

6. Fixed asset turnover ratio

Since the business enterprise uses the capital of fixed assets to equip the required production facilities to produce items and services that can be offered to customers for earnings, it's miles necessary to measure the success of the bearing. Represents the connection among price of sales or fee of income and fixed property. The following is a measurement for the ratio.

$$\text{Fixed Asset turnover} = \frac{\text{Sales}}{\text{Net fixed assets}}$$

7. Total asset turnover ratio

Asset turnover ratio is the ratio among the fee of a organization's income or revenues and the cost of its property. It is a trademark of the efficiency with which a corporation is deploying its belongings to produce the sales. Thus, asset turnover ratio may be a determinant of a organisation's performance. The better the ratio, the better is the business enterprise's overall performance. Asset turnover ratio may be distinct from corporation to organization. Usually, it's far calculated on an annual foundation for a particular monetary 12 months.

$$\text{Total asset turnover ratio} = \frac{\text{Net Sales}}{\text{Total assets}}$$

8. Inventory to sales ratio

Inventory turnover is a ratio displaying how normally a organization's stock is sold and changed over a period of time. The days within the length can then be divided with the aid of the stock turnover formulation to calculate the times it takes to promote the inventory reachable. It is calculated as income divided by means of common inventory.

$$\text{Inventory to sales ratio} = \frac{\text{Inventory}}{\text{Net sales}}$$

9. Inventory to current asset ratio

A low turnover implies vulnerable sales and, therefore, extra stock. A excessive ratio implies both strong income and/or huge discounts. The pace with which a corporation can sell stock is a crucial degree of enterprise overall performance. ... As such, excessive turnover approach nothing except the organisation is creating a profit on each sale.

$$\text{Inventory to current asset ratio} = \frac{\text{Inventory}}{\text{Current assets}}$$

10. Current asset turnover ratio

This ratio measures how effectively a company uses its belongings to generate sales, so a better ratio is constantly extra favourable. Higher turnover ratios imply the organization is the use of its assets greater correctly. Lower ratios suggest that the agency isn't the use of its assets efficaciously and maximum probable have control or production issues.

$$\text{Current Asset turnover ratio} = \frac{\text{Sales}}{\text{Current assets}}$$

11. Stock turnover ratio

There may be types of average inventory figures. First, it may be the average month-to-month inventory. If the monetary 12 months is a calendar year, the average from month to month can be calculated by using dividing the whole by thirteen to calculate the monthly average. If the business enterprise's financial year isn't always a calendar year, this is to mention a fiscal year (April and March), the common inventory stage can be calculated by means of adding the open stock from each month from April to April and dividing the entire by way of To 13. This approach has the advantage of free deviation due to the fact it can easy fluctuations in inventory stages at distinct instances. This is proper of the seasonal improvement industry. The method of this approach is that precise detailed months may be the analyst collecting practical problems.

$$\text{Stock turnover ratio} = \frac{\text{Net Sales}}{\text{Inventory}}$$

2.2 LITERATURE REVIEW

(Hempel and Simonsson, 1998) Found that higher the ROA results to higher the productivity. He conducted his research in Taiwan about budget implementation and effectiveness of Financial Institution.

(Doron Nissim ,H Penna, 1999) In their exploration projects related to money-related performance (i.e. financial performance), found that the pallet designed a budget announcement check for habitual value surveys. Approved productivity survey stations integrated and then increased, in addition to stay-enhanced predictions of climax rates from the main aspects of test progress.

Kennedy and Mill (1990) pointed out in his investigation report on the currency-related achievements that he has fine-tuned the currency declaration. This is an effort to draw the meaning and definition of budget propaganda knowledge so that it can be paid in the forthcoming income. Premium, maturity of debt, earnings and good profit arrangements.

Elizabeth Duncan and Elliott (2004) took a bargain listing on the financial performance of his subjects, business card capabilities, and the related effects between buyer maintenance and the Australian Financial Foundation show that all incentive behaviour trials are senior powers, Profit is sufficient for input plus investment. It is sure to correspond to customer interest conditions Truss tells activists arena. Even if you don't evaluate in a store under unexpected circumstances, this fear is terrible. Ratios are used to analyse major differences rather than healthy inputs

Priyaaks (2012) pointed out in his budget execution survey that budget announcement surveys are a way of looking at the links between monetary settlement factors and the combination of meaningful suggestions. It is used to analyse the management of stocks, bonds and bonds.

John J Wild R Subramanyam and Robert F Halsey (2006) In his review of the budget execution point, the operation of the currency account examination is a methodical approach and the hypothesis assessment and hypothesis of the desire currency-related intelligibility and related data are helpful corporate research strategy. The currency declaration survey has reduced insights, beliefs, and trade choice insights. It reduces the instability of corporate surveys

IM Pandey (2007) pointed out in his investigation paper on supervision implementation that he has reduced the statistics related to the importance of budget, knowledge and utilization of currency assets in currency-related announcements, and there should be a scope to explain the company's currency. The related status is strong or weak.

Susan Ward (2008) weakened the importance of budget analysis for major ethical promotions in exploring currency execution, providing a huge record for suppliers in project-related speeches. Instead of an example, an enlarged asset can generate a calculation of the total revenue of the company. Everything is the same as before. A company that stands in stark contrast to a unique company is an improved entrepreneurial alternative.

Rachhh Minaxi A (2011) made a harsh recommendation to investigators when examining budgetary effects to check whether an account that cuts knowledge contributes to decision making. The measure looks at the link between the richness of parts of the budget clarification and the individual's position and understanding of implementation.

Narayan Rao (1994) has analysed the stock cost feedback to some of the stock-related monetary policy statements, and revealed that the stock trading system has the ability of semi-solid form. New shunt budget records. In the Belgian league, a paper is used to measure the degree of cash-related. It helps to distinguish the management issues of sports federations and choose long-term priorities based on their own main goals and objectives.

Joes M Moneva and Eduardo Ortas (2010) examined the link between corporate ecology and money-related execution in his thesis, and remembered to show the directors how the management of ecological factors can be used to organize the financial results. The current employment location looks at the possible correlation between CEPs and CFPs of companies from a multidimensional perspective. This is another approach that complements the topic-related articles.

Dipankar Ghosh and Anne Wu (2012) initially analysed executive instructions in financial expert organizations that are money-related and unrelated to money, unloading or loading funds into the organization. The exam is responsible for any general restrictions on advanced learning. They accept that Proficient usually deals with firmer, industry-specific knowledge when building investment proposals that they don't contribute.

Rok S krinjar, Vesna Bosilji-Vuksic, and Mojca Indihar-Stemberger (2008) aim to study the understanding of the development level of action perspectives and action levels in the transition economy, and to examine the impact of the current action introduction development level on corporate execution. The development of wage execution is to capture the enterprise's performance through basically extended estimation tools. This path has proven to be beneficial because we can break down the impact of BPO on OP and acknowledge the wide connectivity structure.

Amalendu Bhunia, Sri Somnath Mukhuti, and Sri gautam Roy (2011) have investigated the quality and shortage of budgets for differentiating India's open division pharmaceutical business by establishing a connection between account components.

Altman and Eberhart (1994) told the separation of work using neural frameworks to confirm the grief business through the National Bank of Italy. Operating more than 1,000 surveyed companies with proportionally unstable factors creates arrangements in the nervous system that are very close to achievement tests.

Gepp and Kumar (2008) Integrated time "propensity" into the classic trade disappointment expectations display. Using the altam (1968) and ohlson (1980) models to analyse the reaction samples of degraded and non-decomposed tissues in the 1980s, they found that the Prescient of the Altumn model was rejected when associated with the knowledge of the 1980s.

Campbell (2008) Established a multivariate expectation display to measure the likelihood of a bankruptcy redesign of a confidential holding organization. There are six factors that are used as part of the construction theory. The five factors are important to distinguish between security organizations and reselling organizations. The five major factors are company size, resource productivity, the number of secured lenders, the proximity of free resources, and the number of secured banks. It guides the recovery of income.

Donald P Cram (2000) analyses the impact of developmental writing that involves collective success on budget execution. They want to distinguish between the completion of this article and the constraints, and highlight areas for further analysis. Everything is taken into account. They have developed a hypothetical structure that maps the influence of managers, general scientists, natural supporters, buyers, labourers, and other contributors on cash-related

company returns. Their dialogue is directed at all parties that are keen to influence the activities that affect the Earth's business.

Dr. Devang P Mehtha (2003) examined this paper fundamentally based on Roger's dispersion of the development hypothesis and the precise review of Igel. An observational survey study investigated the use of network promotion by commercial printing companies to promote visible cash-related implementation of the company's customer practices. Use four budget-makers to measure money-related performance; transactions, revenues, expenses, and profitability. The propagation development hypothesis shows that a kind of progress expresses organizational changes. Network innovation affects the development of organizational execution. This paper investigates the impact of network promotion on the cash-related implementation of commercial printing companies.

Janet Y Murray, Masaaki kotabe, and Albert R Wildt (1995) have used a possible model of a global procurement process that examines the guiding influence of procurement-related variables on the relationship between procurement technology and the execution of currency in items. Dealing with improvements and asset specificity is an important part of the budget, but it is the key to implementation. In any case, the results do not support the repetition of suppliers and transactions as judgement variables

Philippe Jacquart, Catherine Ramus, and John Antonakis (2004) have studied whether CEOs understand the implications of corporate social execution and currency execution. When all are said to be completed, the precondition for the disposal of power and commitment is the positive imposing necessity and disposition of achievements that are detrimental to the outcome. Despite past estimates, corporate social responsibility has nothing to do with money-related implementation. Their findings are crucial to top-level results.

Samadana Hassan (2000) Evaluated that using currency ratios to quantify these executions and using the F-test and T-test to determine the results, shows that 38 BIMB is clearly a fundamental change in productivity, rather than the norm, because habituality There are several reasons behind the bank's embarrassment. The review revealed that BIMB is generally less dangerous than conventional banks, but it is easier to disintegrate.

Adbus Samad (2004) inspected the similar implementation of Bahrain during the late Gulf War, namely Bahrain's dominant Islamic bank and a premium-based regular corporate bank. Use nine currency ratios to measure organization-related exhibitions.

CHAPTER 3

RESEARCH DESIGN

3.1 STATEMENT OF THE PROBLEM

In the economic development of a country like India, the company's organizational form is followed. But now it not only affects companies, but also affects the industry as a whole, the economy as a whole and deals with national welfare. Therefore, the article titled "A Study on Financial Performance Analysis of Magnum Enterprise for FY 2014 – 2017" has been disclosed to emphasize the importance of effective financial management in the textile industry.

This study focuses only on the formula of the stock return rate, which shows that returning shareholders did not actually analyse the reasons behind it. For example, how much assets are used in an asset, how much the capital's debt portion contributes to the company, and how the company's operating efficiency is, what the overall impact of these three components together is. The drivers of shareholder returns and their impact on shareholders are critical to understanding the entire organization and investors.

3.2 NEED OF THE STUDY

This study is a practical part of academic research. It gives practical norms and activities for the management of working capital. Working capital management needs to analyse the succession of current assets and current liabilities. And through the use of financial tools to study Magnum Enterprise's corporate position, performance and financial scale

3.3 OBJECTIVES OF THE STUDY

The current research work has been considering the following goals:

- Assess Magnum Enterprise's financial efficiency through an appropriate ratio of annual accounts.
- Study the effective financial structure of Magnum Enterprise.
- To measure the financial efficiency and profitability position of the company
- To analyse the solvency and liquidity position of the business concern
- To suggest measuring for improvement of financial health of the company

3.4 SCOPE OF THE STUDY

This study covers a period ranging from 2014 to 2017 aims to evaluate the company's performance through the Ratio analysis and to understand the efficiency and effectiveness of the company.

3.5 RESEARCH METHODOLOGY

Researchers use data analysis to combine relevance with purpose and economy. Research design is the basis for identifying research questions. The training of a venture layout is frequently referred to as studies layout. It is discussed with the organisation's account manager using foremost facts collection. Secondary statistics gathered and analysed by way of others, which include annual reports, internal data, journals, magazines, and newspapers. These studies particularly relied on organization reviews, books, and agency data. This device makes use of ratio analysis at some stage in the five-12 months examine 2014-2017

Data Sources

- Secondary data

The U.S. data for this goal will collect data or information through secondary data. The second-hand data is that the data that has been collected may be in the form of published or unpublished data... Data will be collected from the company's financial statements (annual reports). All information collected through the data is analysed, interpreted and tabulated to achieve the goal.

Data Collection Tool

- The company's income statement
- The company's balance sheet
- Data extracted from company records

Analysis plan

This analysis is mainly used for financial applications. The analysis is based on the system methodology. If the research work is not done well, the research will become difficult. This analysis is mainly used for companies or organizations. Do a complete analysis, The data extracted from company records and other used materials will be analysed to find the level of financial performance using the following analysis methods:

- form
- chart

3.6 LIMITATIONS

- This research work is especially primarily based on secondary facts, as it's miles based on audited debts from the company
- Resources were limited
- Study is conducted only for 2014 to 2017
- Less importance has been given to number one facts which is really the authentic facts and more reliable
- The importance of raw data is not high, and the original data is actually raw data and is more reliable.

3.7 CHAPTER SCHEME

CHAPTER 1. INTRODUCTION

This chapter provides information about to the subject of the study, it deals with the introduction of financial performance analysis and complete information about company in terms of company profile, company promoters, vision mission and quality policy, products or service profile, infrastructure facility. Even it provides competitors information, swot analysis and future growth and prospectus of company.

CHAPTER 2. CONCEPTUAL BACKGROUND AND LITERATURE REVIEW

Chapter two provides information regarding theoretical background of the study and literature review.

CHAPTER 3. RESEARCH DESIGN

This chapter deals with the report of the problem, need of the study, main objectives of the learning and scope of the study, sources of information like data sources, research methodology and limits of the study.

CHAPTER 4. ANALYSIS AND INTERPRETATION

Chapter 4 explains about the data analysis and interpretation on the basis of financial statement through using charts and graphs tables.

CHAPTER 5. FINDINGS CONCLUSION AND SUGGESTION

This chapter gives the information about findings on the basis of interpretation. And it gives some recommendations to company after studied and analyse the whole project. At the end it gives conclusion.

CHAPTER 4 ANALYSIS AND INTERPRETATION

4.1 DATA ANALYSIS

INTRODUCTION:

Here we analyse the financial performance of the magnum Enterprise with the help of using different ratios like Current Ratio, Quick ratio, Net profit ratio, Return on asset ratio, Gross profit margin ratio, Fixed asset turnover ratio, Total asset turnover ratio, Inventory to sales ratio, Inventory to current asset ratio, Current asset turnover ratio, Stock turnover ratio and financial statements, tools.

Data Collection Tool

- The company's income statement
- The company's balance sheet
- Data extracted from company records

RATIO ANALYSIS

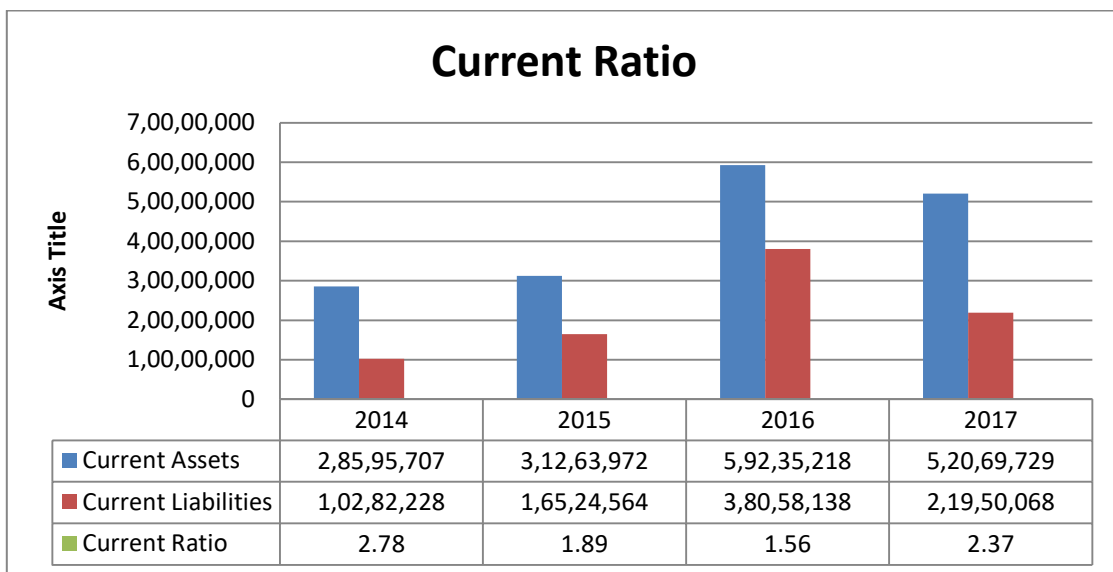
1. Current Ratio :

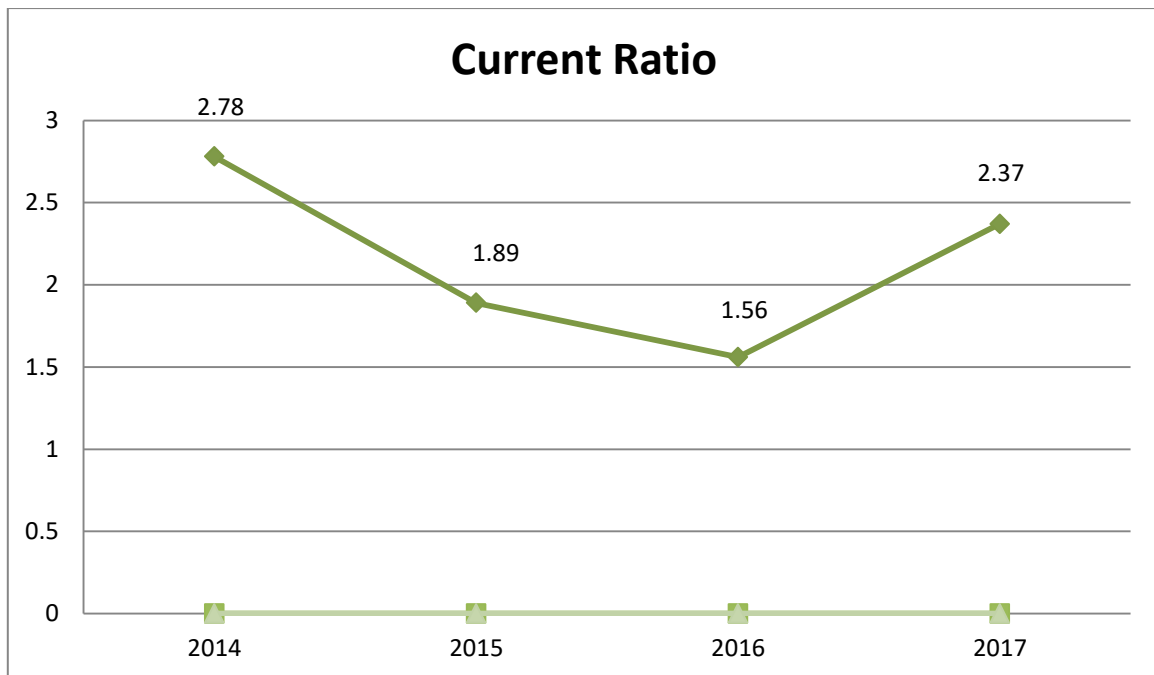
$$\text{Current Ratio} = \frac{\text{current assets}}{\text{Current Liabilities}}$$

Table No 1

Year	Current Assets	Current Liabilities	Current Ratio
2014	2,85,95,707	1,02,82,228	2.78
2015	3,12,63,972	1,65,24,564	1.89
2016	5,92,35,218	3,80,58,138	1.56
2017	5,20,69,729	2,19,50,068	2.37

Graph No 1





ANALYSIS

From the above table information current ratio was for the year 2014 is 2.78 and for the next year 2015 it was huge decreased by 1.89, for the year of 2016 it was again slightly decreased by 1.56. For the year of 2017 it was huge increased by 2.37.

INTERPRETATION

The standard current ratio is followed 2:1 for the year 2017 company having higher than the standard ratio so then the current ratio will be satisfied.

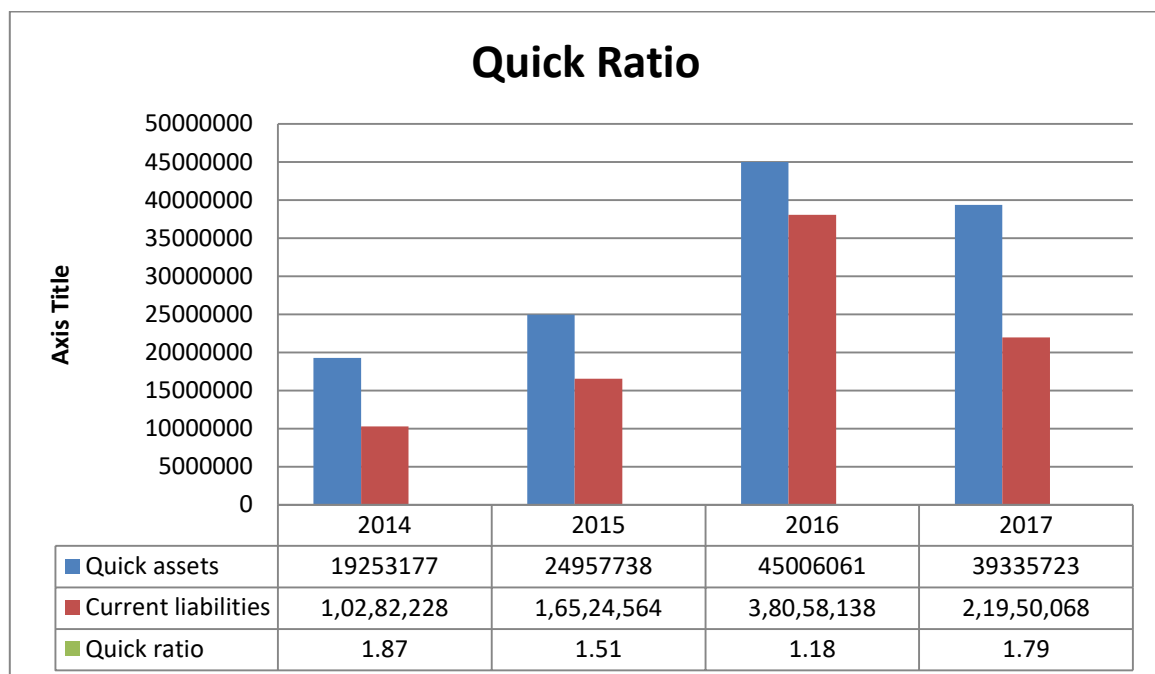
2. Quick ratio :

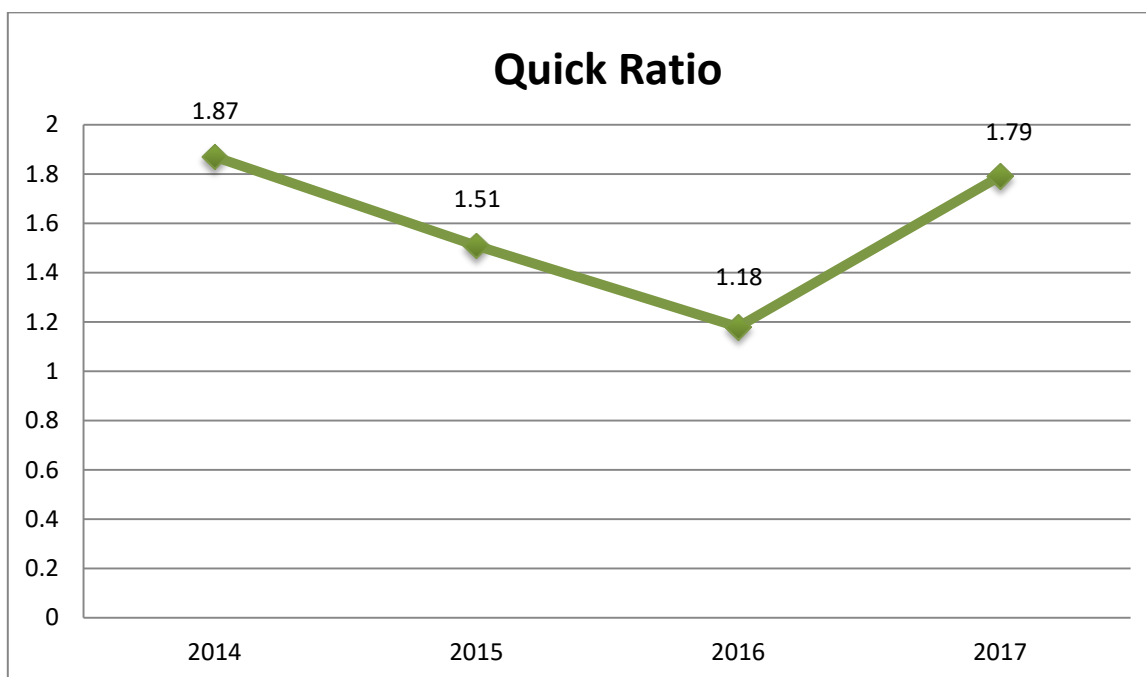
$$\text{Quick Ratio} = \frac{\text{Quick assets}}{\text{Current Liabilities}}$$

Table No 2

Year	Quick assets	Current liabilities	Quick ratio
2014	19253177	1,02,82,228	1.87
2015	24957738	1,65,24,564	1.51
2016	45006061	3,80,58,138	1.18
2017	39335723	2,19,50,068	1.79

Graph No 2





ANALYSIS

It can be noticed that Quick ratio for the year of 2014 it was 1.87, and for the next year 2015 it was slightly decreased by 1.51 and for the year of 2016 again it has slightly decreased by 1.18, for the year of 2017 it has increased by 1.79.

INTERPRETATION

The standard quick ratio is 1:1 the company having higher than the standard ratio for all the four years and then the liquidity position of asset is good.

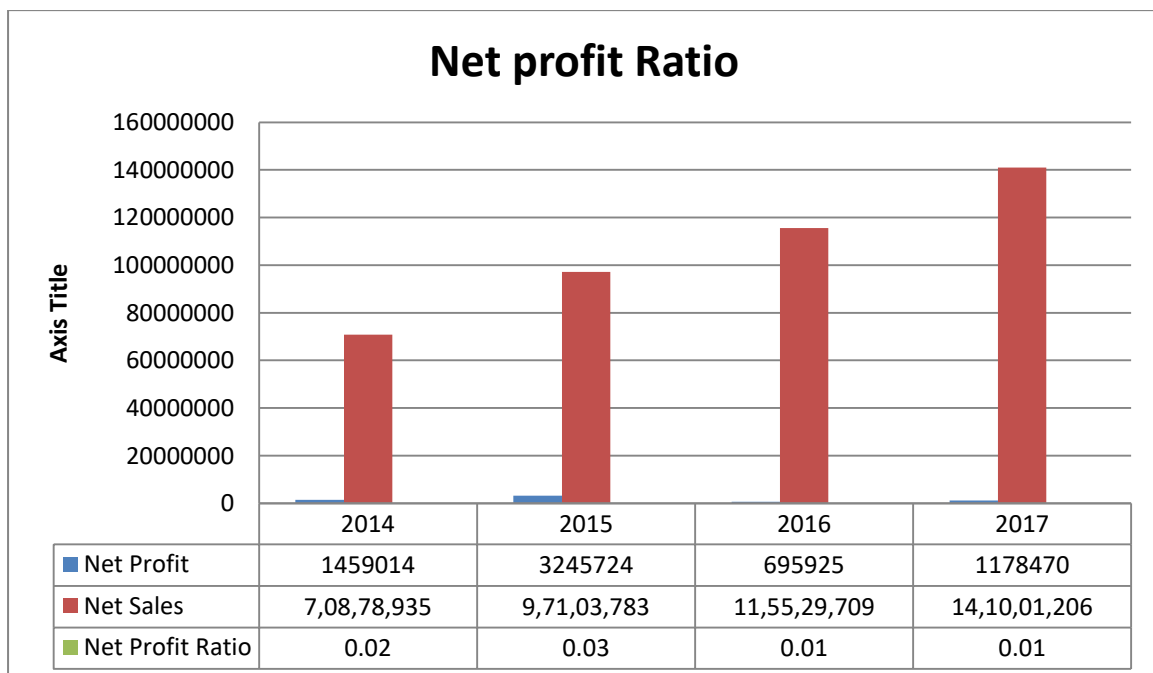
3. Net profit ratio :

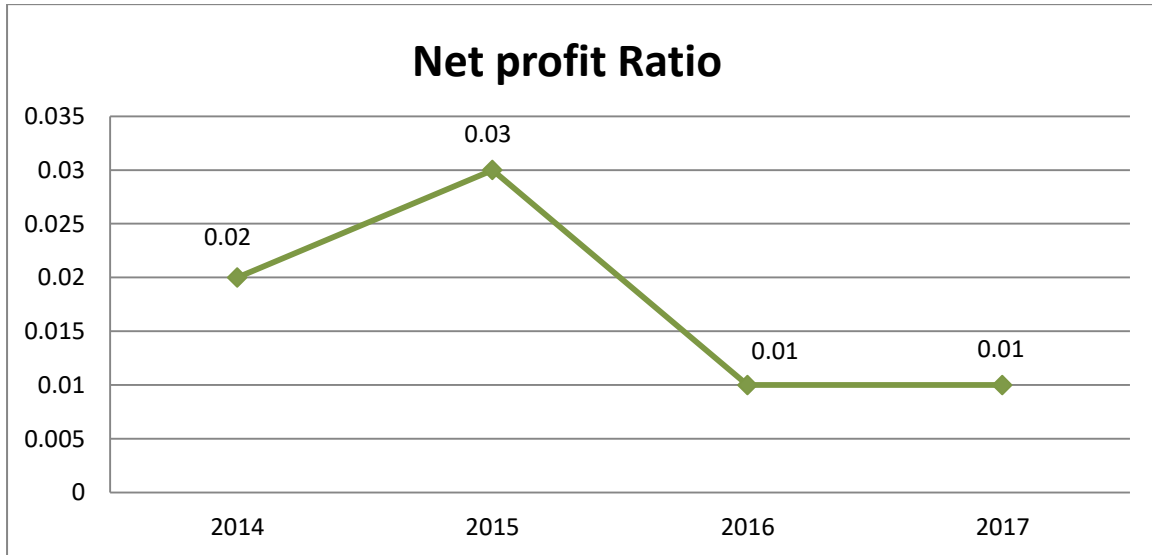
$$\text{Net Profit ratio} = \frac{\text{Net profit}}{\text{Net Sales}} * 100$$

Table No 3

Year	Net Profit	Net Sales	Net Profit Ratio (%)
2014	1459014	7,08,78,935	2%
2015	3245724	9,71,03,783	3%
2016	695925	11,55,29,709	1%
2017	1178470	14,10,01,206	1%

Graph No 3





ANALYSIS

From the above table the net profit ratio for the year of 2014 it was 0.02 and followed by year for 2015 slight increased by 0.03, and for the next two years 2016 and 2017 it has decreased by 0.01 and values are same for the both two years.

INTERPRETATAION

Net profit ratio is very low which decrease to 1% for the two years is. Company need to take measures to increase sales.

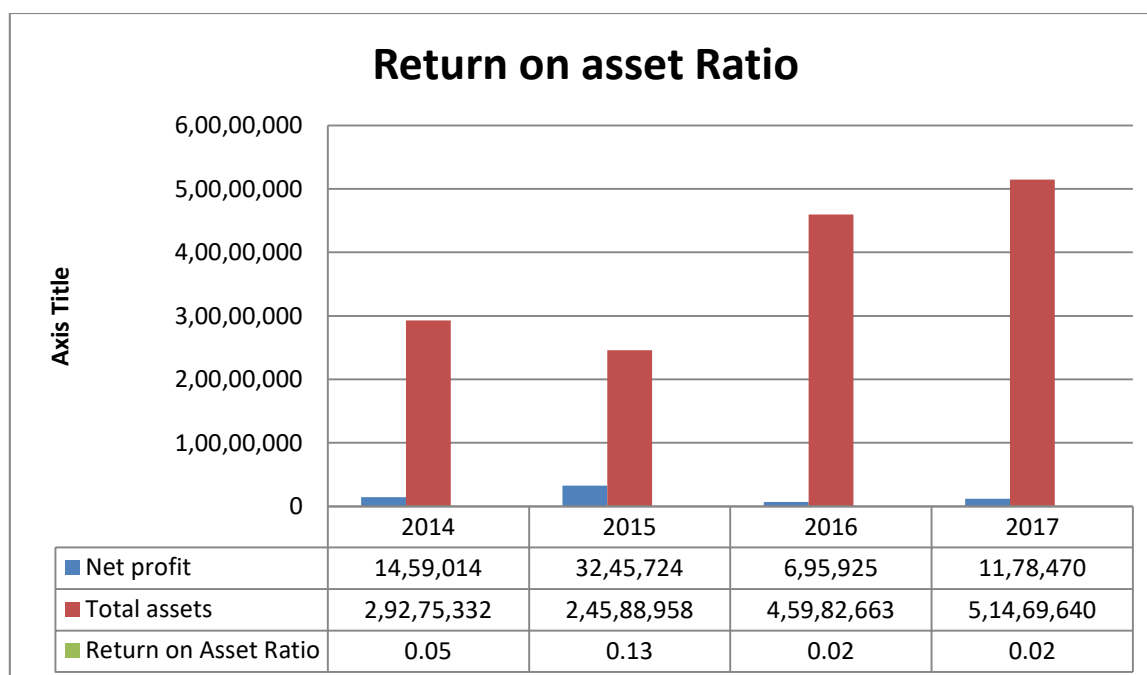
4. Return on asset ratio :

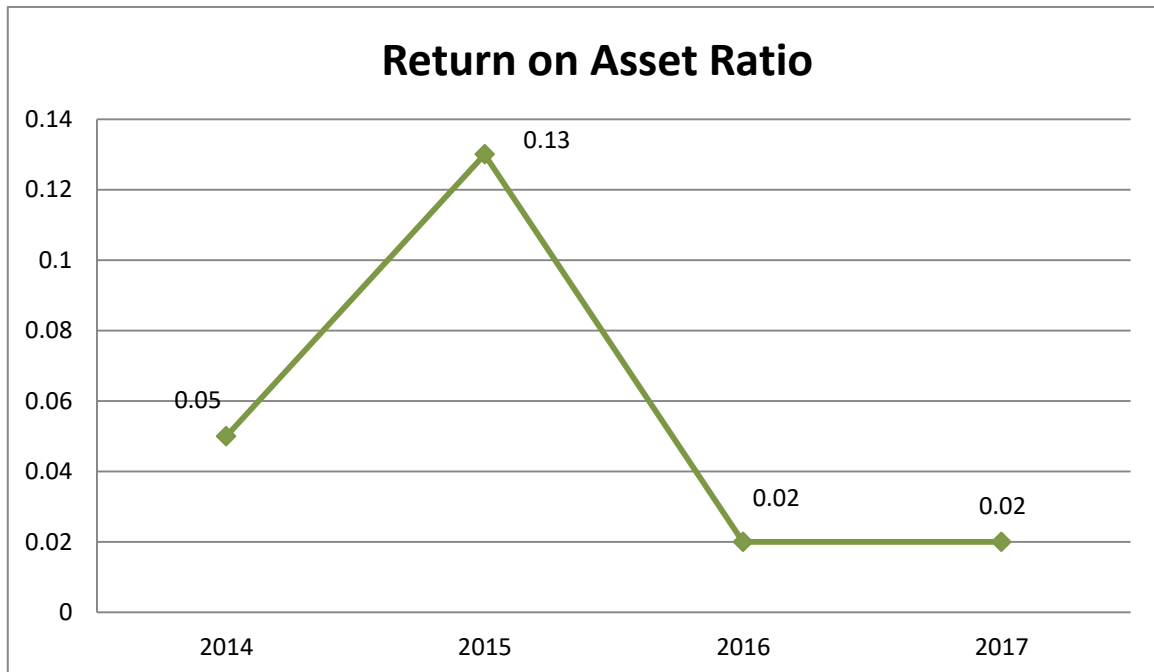
$$\text{Return on asset ratio} = \frac{\text{Net Income}}{\text{Total assets}} * 100$$

Table No 4

Year	Net Income	Total assets	Return on Asset Ratio (%)
2014	14,59,014	2,92,75,332	5%
2015	32,45,724	2,45,88,958	13%
2016	6,95,925	4,59,82,663	2%
2017	11,78,470	5,14,69,640	2%

Graph No 4





ANALYSIS

From the above information of the company Return on asset ratio was for the year of 2014 0.05 is there and for the next year 2015 it was increased by 0.13, and for the next two years 2016 and 2017 it was decreased by same 0.02 .

INTERPRETATAION

Above graph shows low return on investment. The return on asset is very much low for all the years. The company must take measures on improving sales.

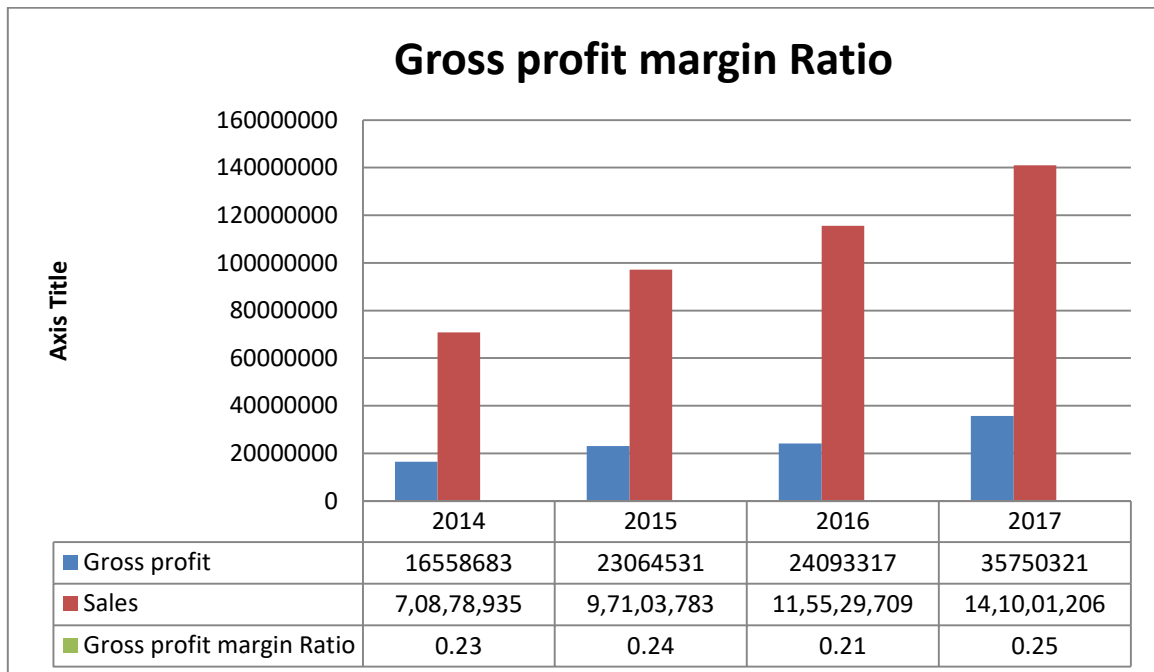
5. Gross profit margin ratio :

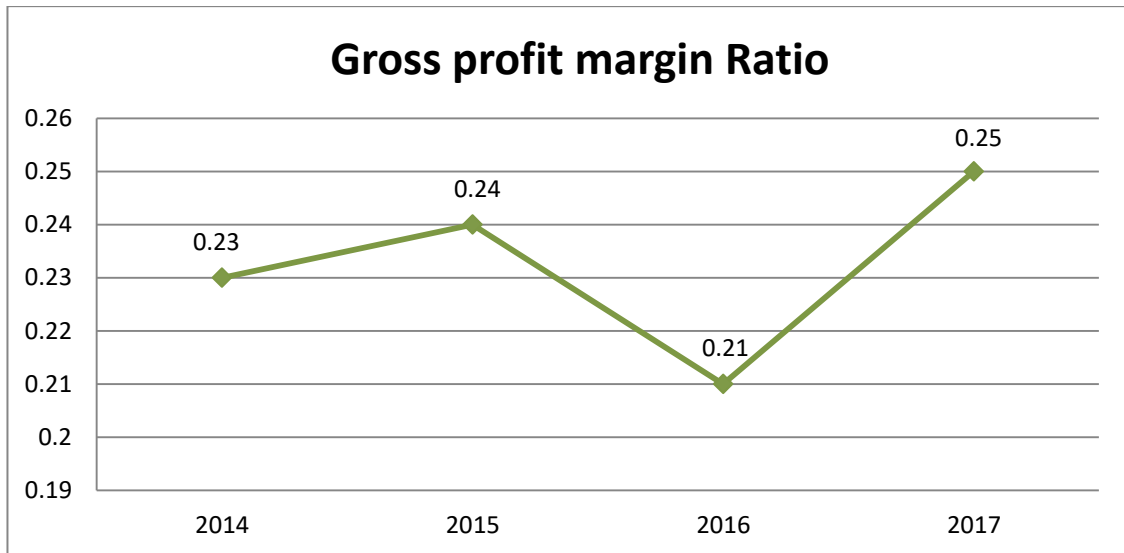
$$\text{Gross Profit Margin} = \frac{\text{Gross profit}}{\text{Sales}} * 100$$

Table No 5

Year	Gross profit	Sales	Gross profit margin Ratio (%)
2014	16558683	7,08,78,935	23%
2015	23064531	9,71,03,783	24%
2016	24093317	11,55,29,709	21%
2017	35750321	14,10,01,206	25%

Graph No 5





ANALYSIS

From the above table information Gross profit margin ratio for the year of 2014 it was 0.23 and for the next year 2015 it was slightly increased by 0.24, and for the year of 2016 it was decreased by 0.21 and for the next year 2017 again it was slightly increased by 0.25.

INTERPRETATION

The gross profit ratio is having constant growth and which is 25% in the year 2017.

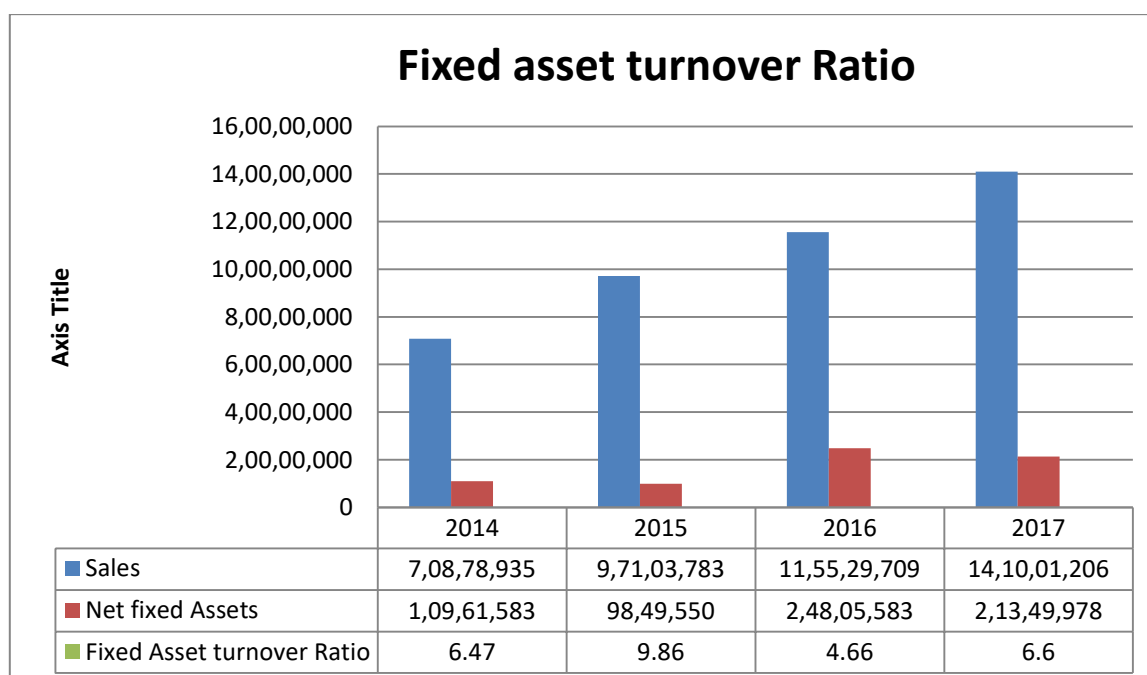
6. Fixed asset turnover ratio :

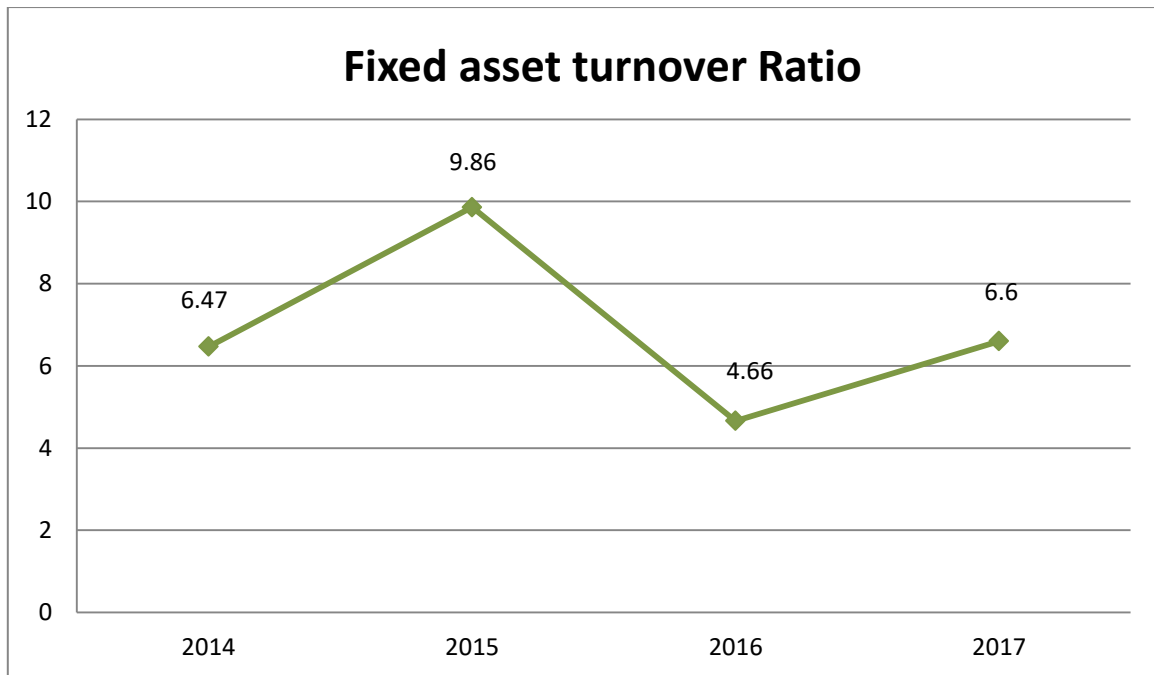
$$\text{Fixed Asset turnover} = \frac{\text{Sales}}{\text{Net fixed assets}}$$

Table No 6

Year	Sales	Net fixed Assets	Fixed Asset turnover Ratio
2014	7,08,78,935	1,09,61,583	6.47
2015	9,71,03,783	98,49,550	9.86
2016	11,55,29,709	2,48,05,583	4.66
2017	14,10,01,206	2,13,49,978	6.60

Graph No 6





ANALYSIS

From the above table indicates that fixed asset turnover ratio for the year of 2014 it was 6.47, and for the next year 2015 it was huge increased by 9.86, next year for 2016 it was huge decreased by 4.66 it more variation between 2015 and 2016, and for the year of 2017 it was slightly increased by 6.60.

INTERPRETATAION

Fixed asset ratio is showing increasing trend for the year 2017.

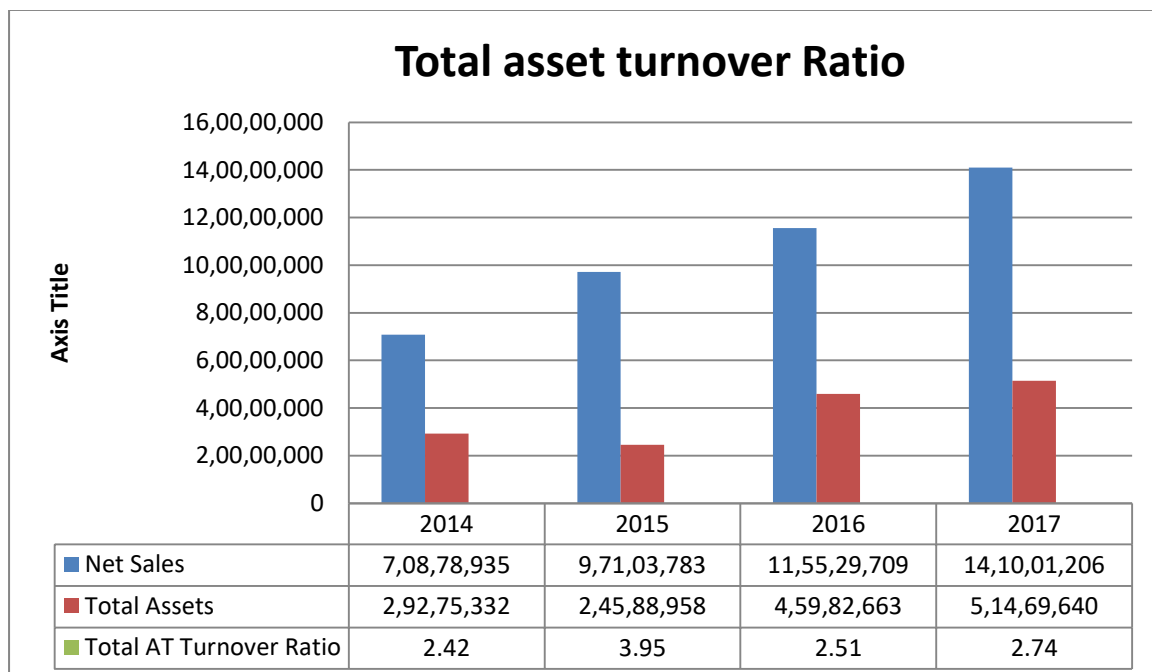
7. Total asset turnover ratio :

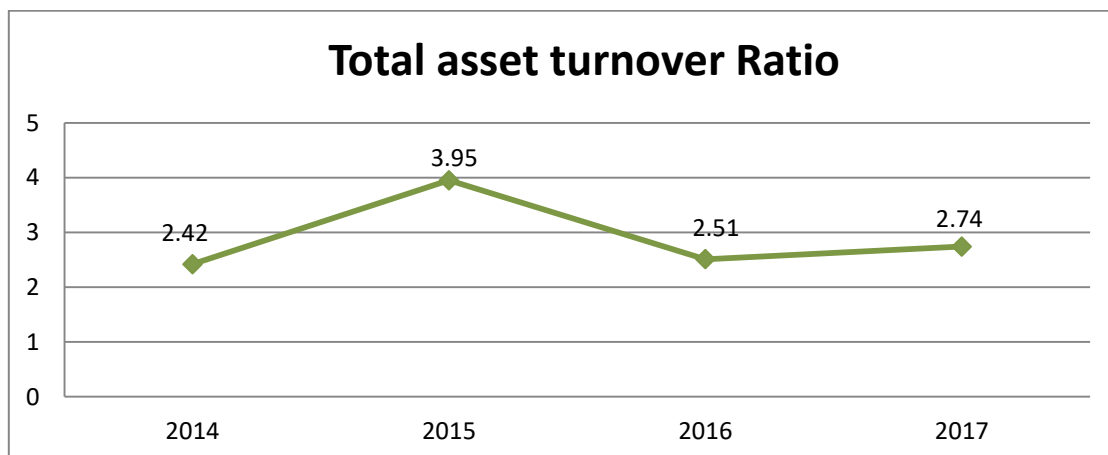
$$\text{Total asset turnover ratio} = \frac{\text{Net Sales}}{\text{Total assets}}$$

Table No 7

Year	Net Sales	Total Assets	Total AT Turnover Ratio
2014	7,08,78,935	2,92,75,332	2.42
2015	9,71,03,783	2,45,88,958	3.95
2016	11,55,29,709	4,59,82,663	2.51
2017	14,10,01,206	5,14,69,640	2.74

Graph No 7





ANALYSIS

From the above table information about the company that total asset turnover ratio to the company in 2014 is 2.42 , for next year 2015 ratio was 3.95 it has slight increased and next for the year of 2016 it was 2.51 it has huge decreased and for the year of 2017 it has slight increased by 2.74.

INTERPRETATAION

Total asset turnover ratio is at a constant growth rate for the last two years which shows that the company is maintaining sales on the basis of asset.

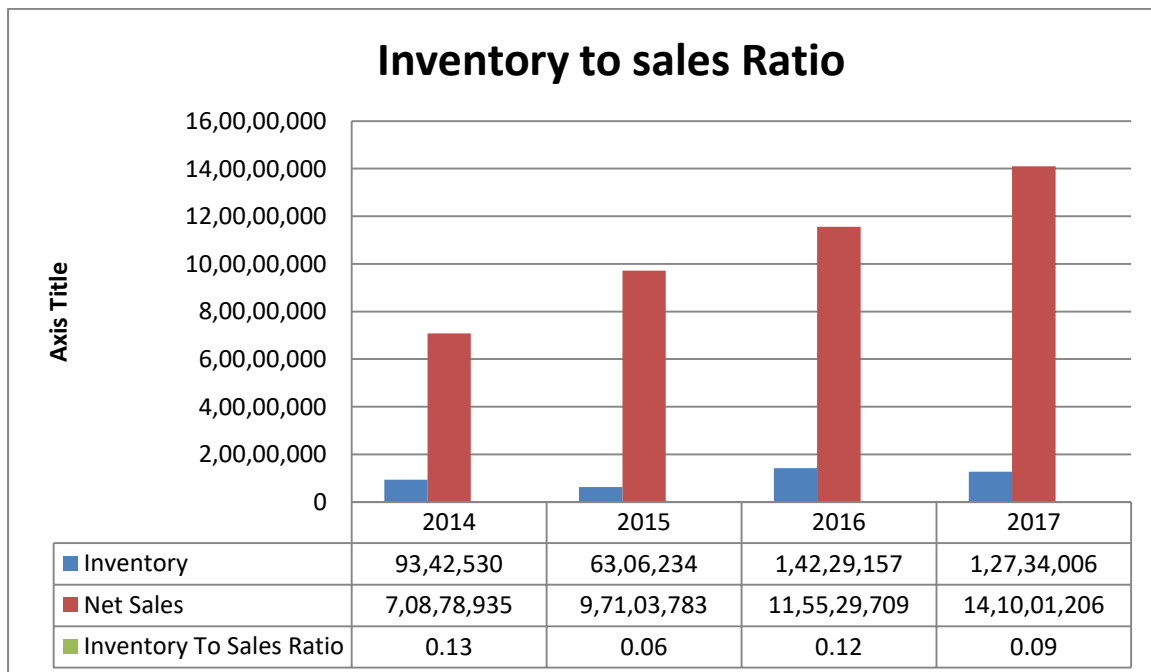
8. Inventory to sales ratio :

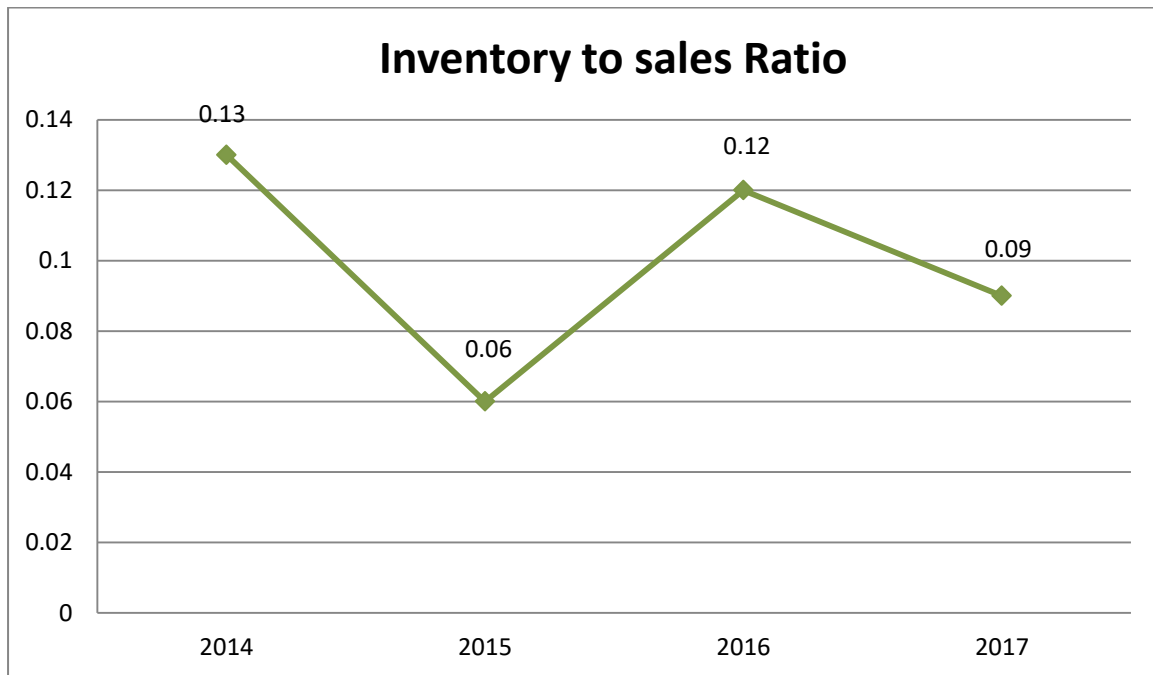
$$\text{Inventory to sales ratio} = \frac{\text{Inventory}}{\text{Net sales}}$$

Table No 8

Year	Inventory	Net Sales	Inventory To Sales Ratio
2014	93,42,530	7,08,78,935	0.13
2015	63,06,234	9,71,03,783	0.06
2016	1,42,29,157	11,55,29,709	0.12
2017	1,27,34,006	14,10,01,206	0.09

Graph No 8





ANALYSIS

From the above table information of the company Inventory to sales ratio was for the year of 2014 it was 0.13 and for the next year 2015 it was huge decreased by 0.06, and for the next year 2016 it was slightly increased by 0.12 and for the year of 2017 it was again slightly decreased by 0.09 .

INTERPRETATION

Inventory to sales ratios is reduced in last year 2017 that's why the company have to maintain the stock management.

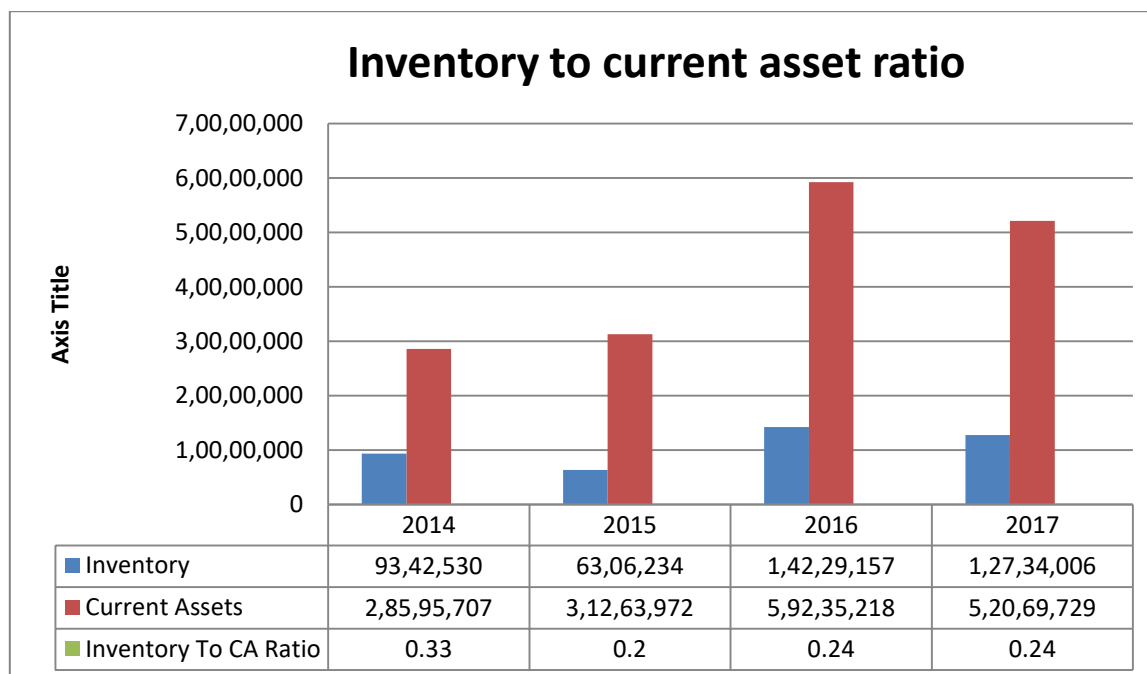
9. Inventory to current asset ratio :

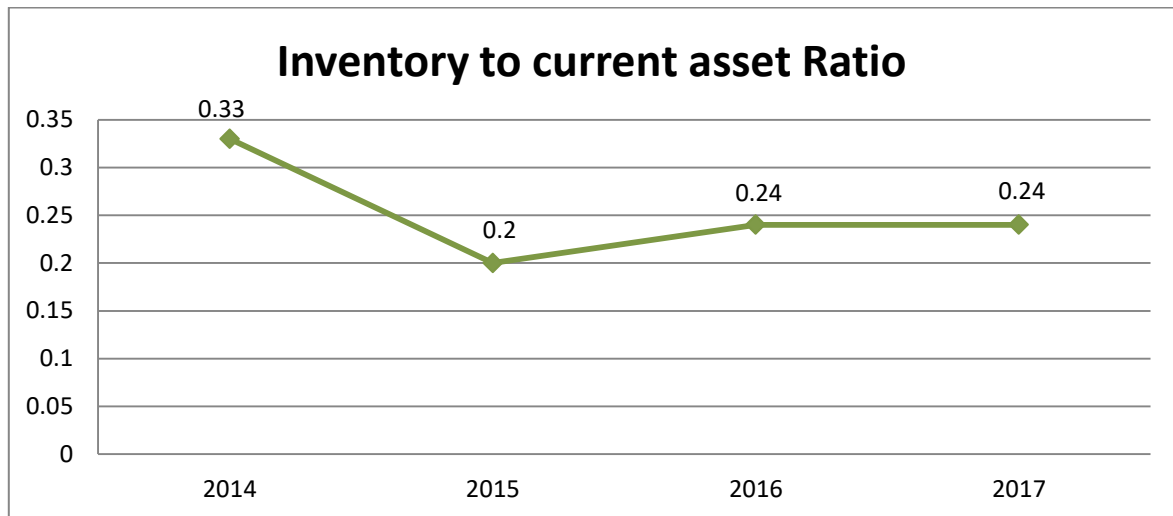
$$\text{Inventory to current asset ratio} = \frac{\text{Inventory}}{\text{Current assets}}$$

Table No 9

Year	Inventory	Current Assets	Inventory To CA Ratio
2014	93,42,530	2,85,95,707	0.33
2015	63,06,234	3,12,63,972	0.20
2016	1,42,29,157	5,92,35,218	0.24
2017	1,27,34,006	5,20,69,729	0.24

Graph No 9





ANALYSIS

From the above table indicates that Inventory to current asset ratio for the year of 2014 it was 0.33 and for the next year 2015 it was slightly decreased by 0.20, for the next two years 2016 and 2017 it was slightly increased by same 0.24 ,

INTERPRETATAION

Inventory to current asset ratio should maintain minimum 60 percentage but company did not maintain minimum percentage so company should maintain Inventory.

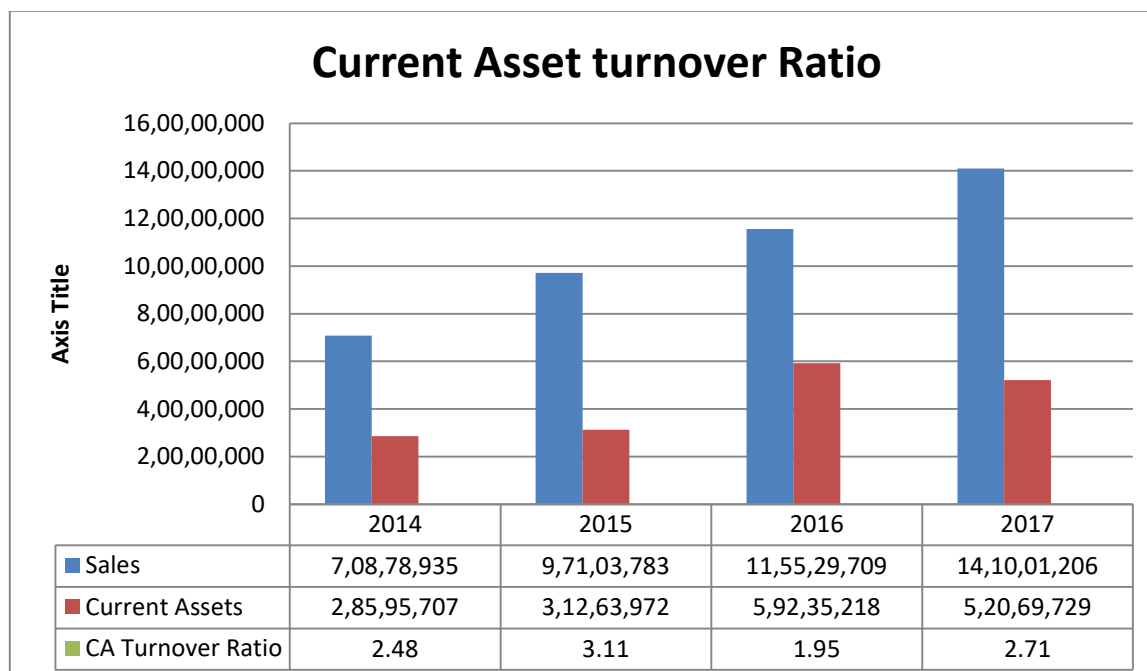
10. Current asset turnover ratio :

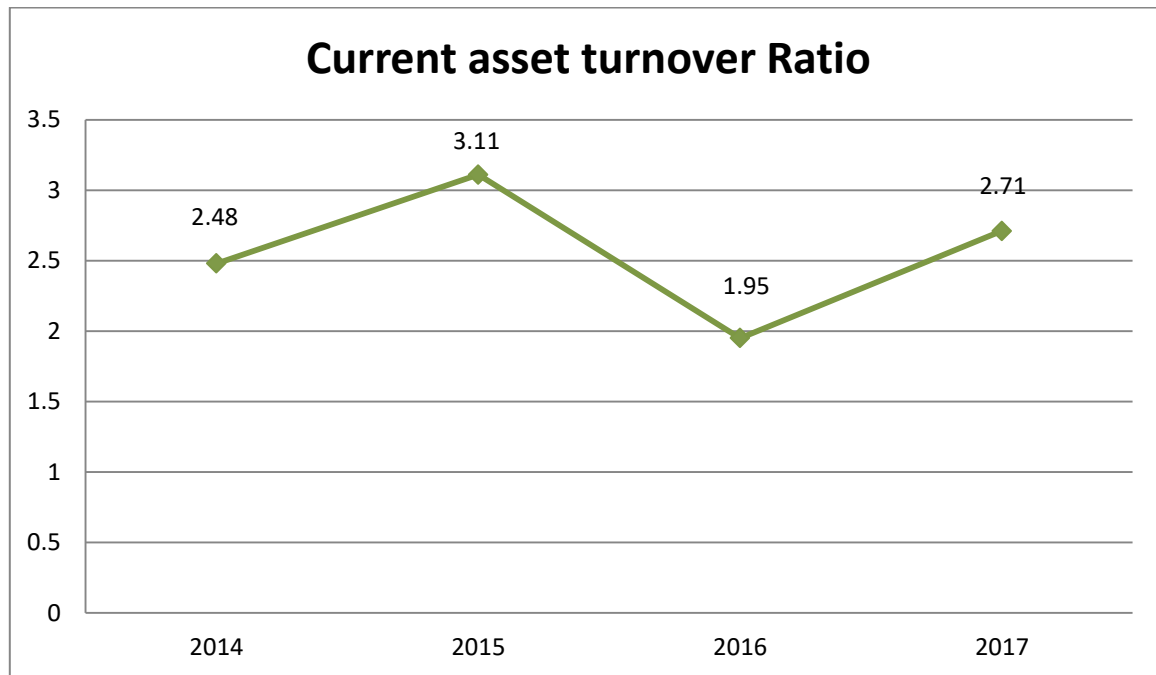
$$\text{Current Asset turnover ratio} = \frac{\text{Sales}}{\text{Current assets}}$$

Table No 10

Year	Sales	Current Assets	CA Turnover Ratio
2014	7,08,78,935	2,85,95,707	2.48
2015	9,71,03,783	3,12,63,972	3.11
2016	11,55,29,709	5,92,35,218	1.95
2017	14,10,01,206	5,20,69,729	2.71

Graph No 10





ANALYSIS

From the above table information of the company Current asset turnover ratio for the year of 2014 it was 2.48 and next year it was slightly increased by 3.11, for the next year 2015 it was huge decreased by 1.95 and for the next year of 2017 it was slight increased by 2.71 .

INTERPRETATION

Current asset turnover ratio is showing decreasing trend in 2016 compared to the previous year 2015 and for the next year 2017 it shows the increasing trend so the company maintaining good sales.

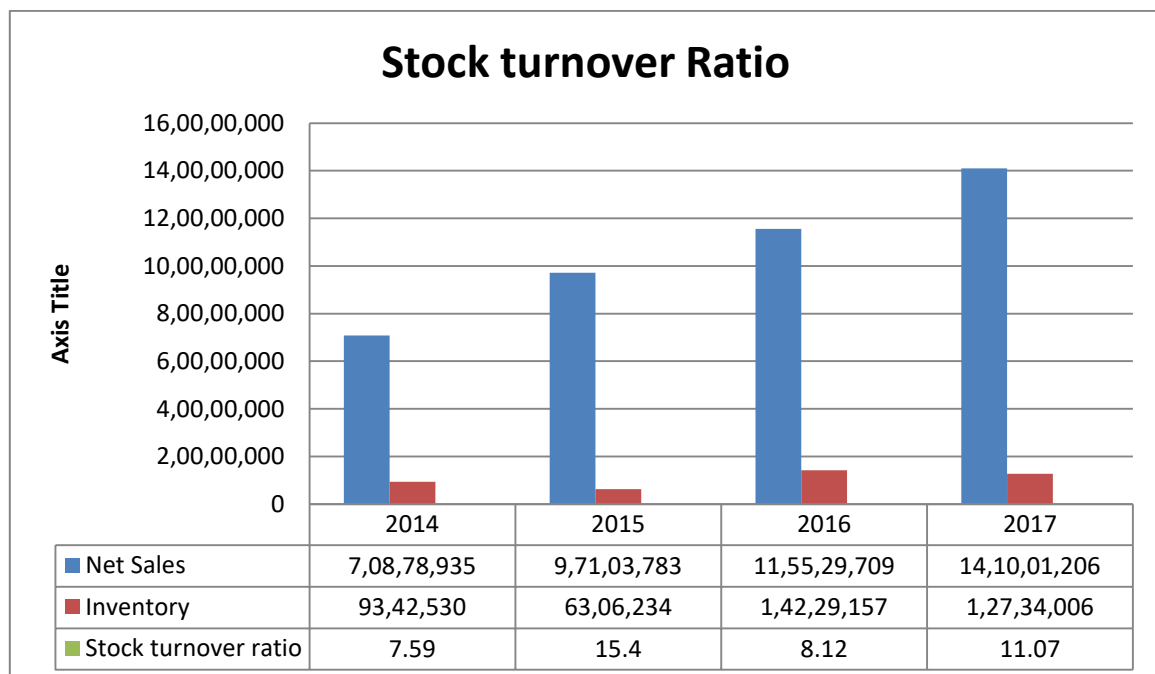
11. Stock turnover ratio :

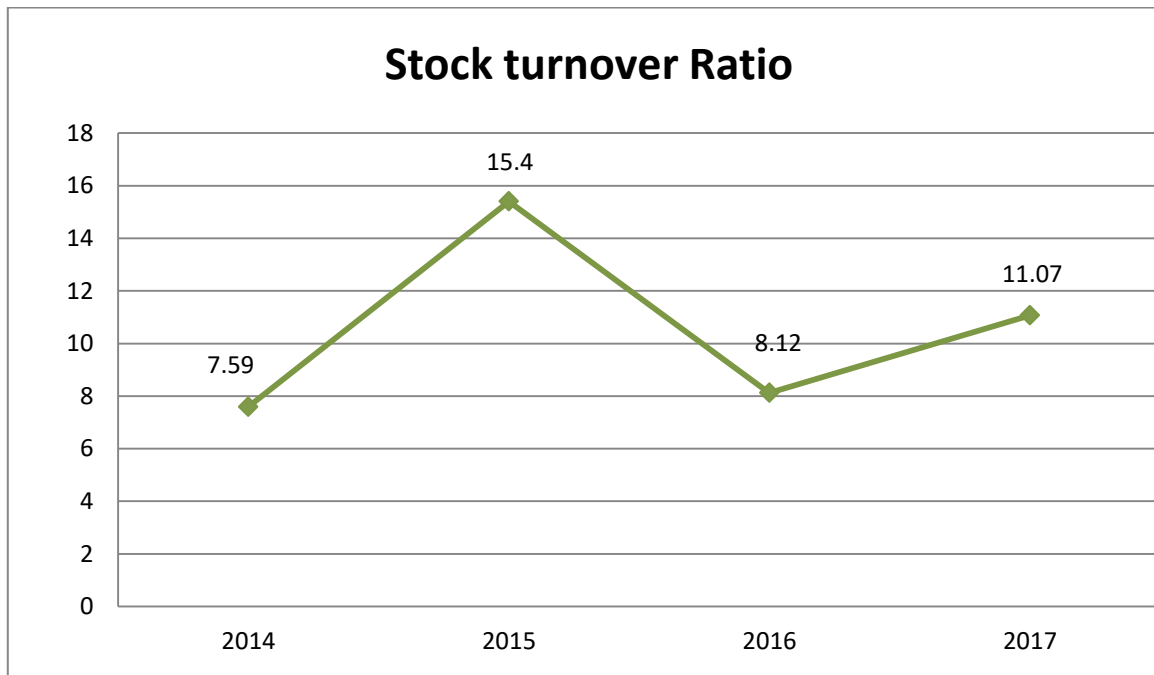
$$\text{Stock turnover ratio} = \frac{\text{Net Sales}}{\text{Inventory}}$$

Table No 11

Year	Net Sales	Inventory	Stock turnover ratio
2014	7,08,78,935	93,42,530	7.59
2015	9,71,03,783	63,06,234	15.40
2016	11,55,29,709	1,42,29,157	8.12
2017	14,10,01,206	1,27,34,006	11.07

Graph No 11





ANALYSIS

For the above table indicates that Stock turnover ratio of the company for the year of 2014 it was 7.59 and for the next year 2015 it was huge increased by 15.40 when compare to 2014, 2015 ratio value is more variation between these two years. And for the next year 2016 it was huge decreased by 8.12, for the next year 2017 it was again slightly increased by 11.07 its good.

INTERPRETATAION

Stock turnover ratio is good for the year of 2015 as well as for the next year 2016 it is decreased company is not maintain stock properly, for the next year 2017 again it is increased so company later maintain good stock.

CHAPTER 5

FINDINGS, CONCLUSION AND SUGGESTION

5.1 FINDINGS

- The organisation have its own rules and measures with respect to its monetary dealings
- The cash position of organisation is not adequate
- Company having higher than the standard Ratio
- Company Liquidity position is good because company having higher than quick ratio
- Return on asset ratio is very much low for all the years
- Net profit ratio is very low which is decreased to 1 % for the last 2 years
- Stock turnover ratio is good for the year of 2015 that is 15.4
- Current asset turnover ratio is showing the increasing trend in the year of 2017 so the company maintaining good sales
- Inventory to current asset ratio should maintain minimum 60 percentage but company did not maintain minimum percentage so company should maintain Inventory.
- Fixed asset ratio is showing increasing trend for the year 2017.
- The gross profit ratio is having constant growth and which is 25% in the year 2017.
- The standard quick ratio is 1:1 the company having higher than the standard ratio for all the four years.
- The liquidity position of asset is good.
- The standard current ratio is followed 2:1 for the year 2017 company having higher than the standard ratio so then the current ratio will be satisfied.

5.2 SUGGESTIONS

- Management should take effective measures to recover outstanding debtor.
- Magnum Enterprise relies on upon just a couple of customers later on it is best to search for Different customers.
- Employees require more training regarding roles and responsibilities.
- Magnum Enterprise depends to a vast degree by the future duties acquired assets, organizations ought to utilise their own benefits to decrease the interest trouble.
- The organisations cash balance is required in order to have an immediate liquidity conditions improved. Will in the long run prompt ill-advised utilization of assets.
- In order to reduce the financial departments work in out fitting monthly breakups. All divisions ought to give correct information before planning spending plan, considering future changes.
- The organisation ought to keep up nonstop liquidity position, as the working capital is not constant in organisation, it continues changing yearly.
- The organisation needs to enhance its quick ratio which helps the organisation to change over its stock into cash.
- Inventory to sales ratios is reduced in last year 2017 that's why the company have to maintain the stock management
- Net profit ratio is very low which decrease to 1% for the two years is. Company need to take measures to increase sales.
- The return on asset is very much low for all the years. The company must take measures on improving sales

5.3 CONCLUSION

This task examination of budgetary execution of Magnum Enterprise Undertaking through Proportion investigation. Organization having higher than the standard proportion for all the four years and after that the liquidity position of advantage is great. Add up to resource turnover proportion is at a steady development rate throughout the previous two years 2016 and 2017 which demonstrates that the organization is keeping up deals based on resource

In light of the investigation and elucidation I endeavoured to give my discoveries and recommendations for the organization according to my best information. At last task truly causes us in knowing the piratical things of the corporate world. Truly I appreciated this undertaking work in its genuine sprit.

The task work which I have done in Magnum Enterprise gives practical of learning background to me. The task work causes me to acquaint with the association. It causes me to get a reasonable thought regarding the day today exercises in the association. It causes me to recognize and assess the quality, shortcoming, openings and dangers looked by the organization.

Annexure

MAGNUM ENTERPRISE

BALANCE SHEET AS ON 31ST MARCH 2014

PARTICULARS	AMOUNT (INR)
SOURCES OF FUNDS :	
PARTNERS FUND :	
Capital Accounts	-
Current Accounts	-
LOAN FUNDS	
Secured Loans	53,94,510
Unsecured Loans	93,94,867
Head Office Account	1,44,85,955
TOTAL	2,92,75,332
APPLICATION OF FUNDS	
FIXED ASSETS :	
Gross Block	1,28,26,589
Less : Depreciation	18,65,006
Net Block	1,09,61,583
INVESTMENTS	-
CURRENT ASSETS ,LOANS & ADVANCES	
Inventories	93,42,530
Sundry Debtors	1,04,62,589
Other Current Assets	61,90,105
Cash & Bank Balance	-2,69,500
Loans & Advances	28,69,983
	2,85,95,707
Less : Current Liabilities :	
Current Liabilities	1,02,82,228
Provisions	-
Net Current Assets	1,83,13,479
TOTAL	2,92,75,332

MAGNUM ENTERPRISE

BALANCESHEET AS ON 31ST MARCH 2015

PARTICULARS	AMOUNT (INR)
SOURCES OF FUNDS :	
PARTNERS FUND :	
Capital Accounts	-
Current Accounts	-
LOAN FUNDS	
Secured Loans	54,85,508
Unsecured Loans	84,50,000
Head Office Account	1,06,53,450
TOTAL	2,45,88,958
APPLICATION OF FUNDS	
FIXED ASSETS :	
Gross Block	1,15,81,840
Less : Depreciation	17,32,290
Net Block	98,49,550
INVESTMENTS	-
CURRENT ASSETS ,LOANS & ADVANCES	
Inventories	63,06,234
Sundry Debtors	1,68,23,558
Other Current Assets	76,96,340
Cash & Bank Balance	-25,91,720
Loans & Advances	30,29,560
	3,12,63,972
Less : Current Liabilities :	
Current Liabilities	1,65,24,564
Provisions	-
Net Current Assets	1,47,39,408
TOTAL	2,45,88,958

MAGNUM ENTERPRISE
BALANCE SHEET AS ON 31ST MARCH 2016

PARTICULARS	AMOUNT (INR)
SOURCES OF FUNDS :	
PARTNERS FUND :	
Capital Accounts	-
Current Accounts	-
LOAN FUNDS	
Secured Loans	1,69,24,385
Unsecured Loans	67,61,754
Head Office Account	2,22,96,524
TOTAL	4,59,82,663
APPLICATION OF FUNDS	
FIXED ASSETS :	
Gross Block	2,76,65,788
Less : Depreciation	28,60,205
Net Block	2,48,05,583
INVESTMENTS	-
CURRENT ASSETS ,LOANS & ADVANCES	
Inventories	1,42,29,157
Sundry Debtors	2,32,44,666
Other Current Assets	1,28,98,541
Cash & Bank Balance	58,61,334
Loans & Advances	30,01,520
	5,92,35,218
Less : Current Liabilities :	
Current Liabilities	3,80,58,138
Provisions	-
Net Current Assets	2,11,77,080
TOTAL	4,59,82,663

MAGNUM ENTERPRISE

BALANCE SHEET AS ON 31ST MARCH 2017

PARTICULARS	SCH	AMOUNT (INR)
SOURCES OF FUNDS :		
PARTNERS FUND :		
Capital Accounts	1	-
Current Accounts		-
LOAN FUNDS		
Secured Loans	2	2,17,08,855
Unsecured Loans		19,43,750
Head Office Account		2,78,17,035
TOTAL		5,14,69,640
APPLICATION OF FUNDS		
FIXED ASSETS :		
Gross Block	3	2,50,25,426
Less : Depreciation		36,75,448
Net Block		2,13,49,978
INVESTMENTS		
	4	-
CURRENT ASSETS ,LOANS & ADVANCES		
Inventories	5	1,27,34,006
Sundry Debtors	6	1,88,80,286
Other Current Assets	7	1,14,81,981
Cash & Bank Balance	8	56,44,400
Loans & Advances	9	33,29,056
		5,20,69,729
Less : Current Liabilities :		
Current Liabilities	10	2,19,50,068
Provisions	11	-
Net Current Assets		3,01,19,661
TOTAL		5,14,69,639

MAGNUM ENTERPRISE

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2014

	PARTICULARS	SCH	AMOUNT (INR)
I	INCOME :		
	Sales	12	7,08,78,935
	Other Income	13	7,97,690
	Export Incentive	14	50,08,121
	TOTAL		7,66,84,746
II	EXPENDITURE		
	Cost Of Goods Sold	15	5,43,20,252
	Employee Benefits Expenses	16	94,51,628
	Administrative & Other Expenses	17	87,79,208
	Finance Cost	18	5,79,011
	Depreciation	3	18,65,006
	TOTAL		7,49,95,105
		(I -	
		II)	16,89,641
	Prior Period Adjustments		2,30,627
III	NET PROFIT (+)/LOSS(-) BEFORE TAXES		14,59,014
	Provision For Taxes		
	Income Tax		-
IV	NET PROFIT (+)LOSS(-) AFTER TAXES		14,59,014
V	APPROPRIATION TO PARTNERS		
	Interest Paid On Capital		-
	Remuneration to Partners		-
VI	PROFIT TRANSFERRED TO HEAD OFFICE A/C		14,59,014

MAGNUM ENTERPRISE

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2015

	PARTICULARS	SCH	AMOUNT (INR)
I	INCOME :		
	Sales	12	9,71,03,783
	Other Income	13	17,65,452
	Export Incentive	14	55,66,972
	TOTAL		10,44,36,207
II	EXPENDITURE		
	Cost Of Goods Sold	15	7,40,39,252
	Employee Benefits Expenses	16	1,06,28,348
	Administrative & Other Expenses	17	1,34,75,333
	Finance Cost	18	13,15,260
	Depreciation	3	17,32,290
	TOTAL		10,11,90,483
		(I - II)	32,45,724
III	NET PROFIT (+)/LOSS(-) BEFORE TAXES		32,45,724
	Prior Period Adjustments		0
	Provision For Taxes		
	Income Tax		-
IV	NET PROFIT (+)LOSS(-) AFTER TAXES		32,45,724
V	APPROPRIATION TO PARTNERS		
	Interest Paid On Capital		-
	Remuneration to Partners		-
VI	PROFIT TRANSFERRED TO HEAD OFFICE A/C		32,45,724

MAGNUM ENTERPRISE

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2016

	PARTICULARS	SCH	AMOUNT (INR)
I	INCOME :		
	Sales	12	11,55,29,709
	Other Income	13	35,40,407
	Export Incentive	14	80,43,428
	TOTAL		12,71,13,544
II	EXPENDITURE		
	Cost Of Goods Sold	15	9,14,36,392
	Employee Benefits Expenses	16	1,39,88,772
	Administrative & Other Expenses	17	1,65,77,932
	Finance Cost	18	15,74,512
	Depreciation	3	28,60,205
	TOTAL		12,64,37,813
		(I - II)	6,75,731
III	Prior Period Adjustments		-20,194
	NET PROFIT (+)/LOSS(-) BEFORE TAXES		6,95,925
	Provision For Taxes		
	Income Tax		-
IV	NET PROFIT (+)LOSS(-) AFTER TAXES		6,95,925
V	APPROPRIATION TO PARTNERS		
	Interest Paid On Capital		-
	Remuneration to Partners		-
VI	PROFIT TRANSFERRED TO HEAD OFFICE A/C		6,95,925

MAGNUM ENTERPRISE
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2017

	PARTICULARS	SCH	AMOUNT (INR)
I	INCOME :		
	Sales	12	14,10,01,206
	Other Income	13	97,52,202
	Export Incentive	14	72,18,135
	TOTAL		15,79,71,543
II	EXPENDITURE		
	Cost Of Goods Sold	15	10,52,50,885
	Employee Benefits Expenses	16	1,50,28,872
	Administrative & Other Expenses	17	3,02,44,259
	Finance Cost	18	25,93,609
	Depreciation	3	36,75,448
	TOTAL		15,67,93,073
		(I - II)	11,78,470
III	NET PROFIT (+)/LOSS(-) BEFORE TAXES		11,78,470
	Prior Period Adjustments		0
	Provision For Taxes		
	Income Tax		-
IV	NET PROFIT (+)LOSS(-) AFTER TAXES		11,78,470
V	APPROPRIATION TO PARTNERS		
	Interest Paid On Capital		-
	Remuneration to Partners		-
VI	PROFIT TRANSFERRED TO HEAD OFFICE A/C		11,78,470



ACHARYA INSTITUTE OF TECHNOLOGY
DEPARTMENT OF MBA

INTERNSHIP WEEKLY REPORT (16MBAPR407)

Name of the Student: Devindrappa

Internal Guide: Dr. Virupaksha Goud

USN No: 1AZ16MBA19

Specialization: Finance & Marketing

Title of the Project: A Study on Financial Performance Analysis at Magnum Enterprise Bangalore

Company Name: Magnum Enterprise Bangalore

Week	Work Undertaken	External Guide Signature	Internal Guide Signature
15-1-2018 to 20-1-20018	Introduction about Magnum Enterprise Bangalore. and its operation	Kavitha.H.C	J. N. S.
22-1-2018 to 27-1-20018	Learning about the different operation and services by Magnum Enterprise Bangalore.	Kavitha.H.C	J. N. S.
29-1-2018 to 3-2-20018	Orientation and gathering information about the growth of the company	Kavitha.H.C	J. N. S.
5-2-2018 to 10-2-2018	Analysis of the market position of the company	Kavitha.H.C	J. N. S.
12-2-2018 to 17-2-2018	Research problem identification	Kavitha.H.C	J. N. S.
19-2-2018 to 24-2-2018	Preparation of the research instrument for data collection	Kavitha.H.C	J. N. S.
26-2-2018 to 3-3-2018	Theoretical background of the study	Kavitha.H.C	J. N. S.
5-3-2018 to	Data collection and analysis	Kavitha.H.C	J. N. S.

10-3-2018		Kautilha.H.C	<i>[Signature]</i>
12-3-2018 to 17-3-2018	Interpretation of the data gathered during the survey	Kautilha.H.C	<i>[Signature]</i>
19-3-2018 to 24-3-2018	Final report preparation and submission	Kautilha.H.C	<i>[Signature]</i>

[Signature]
Signature of HOD

For MAGNUM ENTERPRISES
Kautilha.H.C
(Authorised Signatory)

