Accounting Assignment 2

**Financial Statement Analysis**

Select any two manufacturing companies of your choice belonging to same industry and of more or less same age listed in any of one of the Indian Stock exchanges (either in BSE or in NSE or in both).

Collect and Read the Financial Statements of such Selected Companies for latest two years form (2020-21 and 2021-22) and Redraw their financial statements.

Perform financial analysis with regard to their financial performance and the financial position for both the companies selected as above using appropriate ratios in order to study their solvency, liquidity, profitability and turnover/activity.

Also apply market ratios to study the overall performance of the selected two companies.

Compare the results of both companies and interpret them accordingly.

**Component/Content of the report to be submitted**

**Heading:** Analysis of Financial Performance of “….. and ….. Companies”

1. Introduction

2. Meaning and definition of financial statement Analysis

3. Meaning of Ratio analysis

4. Types of Ratios

5. Overview of Industry selected

6. Overview of Companies selected

7. Financial statements of two companies for two years

8. Analysis of financial statements of two companies

a. Solvency ratios

b. Liquidity ratios

c. Profitability ratios

d. Turnover/activity ratios

9. Market Ratios and overall performance

10. Comparison of Performance of two companies

11. Interpretation

12. Conclusion

13. References