Change ar	d Change %:													
			Sol:											
				Years	Net	Net Sales		COGS						
					Change	Change%	Change	Change%						
				2015	-	100	-	100						
Following information relates to Co.A:			2016	20,000 120		50,000	183		Change % = Current Year Value / Previous Year Value x 100			e x 100		
Years	Net Sales	COGS		2017	110,000	192	90,000	182						
2015	100,000	60,000		2018	60,000	126	75,000	138						
2016	120,000	110,000		2019	60,000	121	35,000	113						
2017	230,000	200,000		2020	50,000	114	55,000	118						
2018	290,000	275,000		2021	40,000	110	35,000	110						
2019	350,000	310,000		2022	160,000	136	100,000	125						
2020	400,000	365,000		2023	150,000	125	180,000	136						
2021	440,000	400,000												
2022	600,000	500,000		Commer	nts:									
2023	750,000 680,000			For 2022	:									
Required:	Required:													
1	Change			Since change % of sales in 2022 is 136%, it means sales has										
2	Change %			increase	d by 36 as c	compare to	2021 and (	change % o						
				125% <i>,</i> it	means COG	S has incre	eased by 25	%.So chang	ge in sales					
	Co.A	Co.B		is favora	ble in isolat	ion , and ch	nange in CC	)GS is unfav	orable in					
2022	100,000	3,000,000		isolatio	n .But the c	hange in bo	oth , if com	bined , is fa	vorable					
2023	150,000	3,300,000		because change% of sales is greater than change% of COGS.										
Change	50,000	300,000												
Change %	150	110												

	Ana	lysi	s of I	Finar	ncial Sta	ate	ments:		Information Needs:							
]	l Cha	Change								1 Liquidity						
2	2 % C	% Change								2	Solven	су				
3	3 Rati	Ratio Analysis								3	Profital	oility				
2	1 Trea	Trend Analysis														
5	5 Hor	izon	tal aı	nd Ve	ertical A	nal	ysis									
1	Cha	Change:														
	Cha	nge	= Cu	ırren	t Year A	mc	ount - La	ast Year A	mount							
			9/ •			-										
4		nge	7 <b>0:</b>	(Cur	rent Ve	or /	Amount	- Lost Ver	r Amount	-) / I as	t Vear		t v 100			
	Clia	iige	70 -	(Cui			inount	- Last Ita		.) / La:	st Ital	Allouli				
					Curren	† Y	ear Am	ount / Las	t Year An	nunt	x 100					
					Curren			built / Dat			100					
	Ratio	Anal	ysis:			_										
1	Liquid	ity Ra	tios													
2	Profita	bility	Ratio	os												
3	Solven	cy Ra t Pot	atios													
4	Marke	i kai	10													
1	Liquid	ity F	latios	:												
	Warts	~~ ^														
a	W OF KI	working Capital:							Worki	ng capit	al mean	s the curr	ent assets			
									tha	that will be remaining if all current						
	Worl	king (	Capita	al = Ci	urrent As	sets	s - Curre	nt Liabilities	liabiliti	liabilities are paid. This amount is used to						
									. pe	perform business operations like						
									paying	g salary,	taxes,	rent, insu	rance etc.			
b	Curren	nt Ra	tio:													
			-						It sho	ws how	much g	reater or s	smaller the			
									currer	current assets are as compare to current						
	Cur	rent	Ratio	= Cui	rrent Ass	ets	/ Curren	liabiliti	liabilities.It shows how much % of current							
									liabili	liability will be remaining in the form						
									Cui	icin as	seis all	ci paying	n nuny.			
С	Quick	/Acio	1-Test	t Rati	o:											
	-	-lz / ∆ /	vid. Te	et Po	tio: [Curr	ont	Assets	(Inventory +								
	S	Supplies + Prepaid Expensell / Current Liability								It shows how much greater or smaller the						
		or							quick	assets	are as	compare to	o current			
		Qu	uick R	atio =	[Cash + ]	Ban	ık+Marke	table	liabiliti	es.It sh	ows how	w much %	of current			
		Sec	uritie	s+Rec	eivables]	/ C	urrent Li	ability	liabili	ty will b	e remai	ining in th	e form of			
		Or Onick Potio - Onick Access / Comment Lichility							q	quick asset after paying it fully.						
	``	Quick Mailo - Quick Assels / Cuttern Liability														

đ	Invento	ry Turno	over Ratio	/Invent	ory Holding Period:							
	In time	s:										
	Inv Avera	ventory T age Inven	urnover l Sold/Ave tory = (Be Inve	Ratio(Tim rage Inve ginning 2 entory)/ 2	It sh inve receiva	It shows how many times the average inventory is sold and converted into receivable during the accounting period.						
	In Days											
	Invento: =Days	ventory T Year, ry Turnov o s of Accou	`urnover(l /Inventor ver(Days)= f Goods s unting yea goo	Days) = D y Turnov Or =Days of old/avera or ar x [Aver ods sold]	It shows in how many days average inventory is sold and converted into receivable during the accounting period.							
е	Receiva	ble Turn	over Rat	io/Receiv	vable Collection Period	1:						
	Avera	Receivable S ge Receiv	e Turnove Sales/Ave vable = (B Rece	r Ratio(Ta rage Rec eginning eivable)/ 2	It shows how many times the average receivable is converted into cash during the accounting period.							
	In Days											
	Re Receiva =Days of	ceivable 7 Year/ ble Turno Crec f Account	Furnover( /Receivab over(Days lit Sales/ ing year 2	Days) = I le Turnov Or )=Days of average F or x [Average Sales]	It shows in how many days average receivable is converted into cash during the accounting period.							
f	Days of	Operatir	ng Cycle:									
	Days	of Opera F	ating Cycl Receivable	e: Invente Turnove	It shows in how many days inventory is sold and receivable is converted into cash.							

g	Payment Turno	ver Ratio	/Payable	Payment Period:				
	In times:							
	Payable F Average Payable	Turnover urchases = (Beginr	Ratio(Tin /Average ning Paya 2	nes): Net Credit Payable ble + Ending Payable)/	It sh paya			
	In Days							
	Payable T Yea Payable Turno Crea =Days of Accou	urnover(D r/Payable ver(Days)= lit Puchas nting year Pu	Days) = Da Turnove Or =Days of J es/avera or r x [Avera urchases]	ays of Accounting er-in times Accounting Year/[Net ge Payable) ge Payable/Net Credit	It s paya			