



[Glossary]

Financial Analysis

Subject:	Business Economics
Course:	B. A. (Hons.), 1st Semester, Undergraduate
Paper No. & Title:	Paper – 103 Fundamentals of Business and Accounting
Unit No. & Title:	Unit – 4 Introduction to Corporate Accounts
Lecture No. & Title:	Lecture – 2 Financial Analysis

Glossary

Common size statement

Statement in which various figures of profit and loss account or balance sheet of one year of one company are converted into percentages to some common base

Comparative statement

Statement of comparison of profit and loss account or balance sheet of two years of one company

Financial Analysis

Analysis of financial performance and financial position of a business enterprise.

Financial Statements

Statements prepared by a business enterprise at the end of an accounting period

Ratio

Relationship of two financial information in meaningful manner

Tools for Financial Analysis

Techniques used for analysis of financial statements

Trend Analysis

Analysis of financial information showing pattern of behavior of an element of financial information.