

TREND ANALYSIS-A TOOL OF ASSESSMENT OF FINANCIAL PERFORMANCE: A CASE STUDY OF ASHOK LEYLAND FOR THE PERIOD 2010-15

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ABSTRACT

Finance is the life blood for any organization and is always being disregarded in financial decision making since it involves investment and financing in short-term obligation. In the modern oriented economy, finance is one of the basic foundations of all kinds of economics activities. Finance statements are prepared primary for decision -making. They play a dominant role in setting the frame work and managerial conclusion and can be drawn from these statements is of immense use in decision-making through analysis and interpretation of financial statements. In this present era of Liberalization, Privatization and Globalization the Market has become globally competitive; hence the survival of an enterprise depends upon the efficiency and accuracy. Hence, it is necessary to evaluate the financial performance of sampled units to know where these companies stand in the market and how these companies can improve further in the future by knowing their shortcomings. A financial statement is an organized collection of data according to logical and consist ant accounting procedures. Its purpose is to convey an outstanding of some financial aspects of a business firm. It may show a position at a moment of time as in the case of balance sheet, or may reveal a series of activities over a given period of time, as in the case of an income statement. The term ratio is refers to the relationship expressed in mathematical terms between two individual figures. The present study deals with the "Trend Analysis-A Tool of Assessment of Financial Performance: A Case Study of Ashok Leyland for the Period 2010-15.

KEYWORDS: Profitability, Operational Efficiency, Accounting Ratios, Financial Statements.

Introduction

Financial statements refer to such statements which contain financial information about an enterprise. They report profitability and the financial position of the business at the end of accounting period. The two important financial statements which the accountant prepares at the end of an accounting period are Balance Sheet and Profit And Loss Account. They provide extremely useful information to the extent that Balance sheet mirrors the financial position on a particular date in terms of structure of assets, liabilities and owners equity. The Profit & Loss account shows results of operations during the year. Thus financial statement provides a summarized view of financial position and operations of a firm. The Ashok Leyland is 2nd largest commercial vehicle manufacture in India had gone from slow down in the year 2013-14 but raised its financial performance in 2014-15, therefore the researcher created interest to study the financial performance of Ashok Leyland with the help of trend analysis for the period covering 2010-to 2015. The research paper covers financial aspects related to the financial position through trend analysis of Ashok Leyland. In this research paper the researcher has laid down the financial statement of last five years (2010-2015).

Objectives of the Study

The main purpose of the study is to find out the trend of financial performance of Ashok Leyland based on their financial statements of last five years (2010-2015).the following objectives are framed by the researcher:

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