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1. Overview of financial statement analysis

a) Introduction to financial analysis

مقدمة في التحليل المالي

Financial statements play a central role in the analysis and valuation of a firm. Financial statement analysis is an exciting and rewarding activity, particularly when the objective is to assess whether the market is pricing a firm's shares fairly. Studying the characteristics of a firm—such as its business model, product markets, and operating, investing, and financing decisions—and using this information to make informed judgments about the value of the firm.

Financial statement analysis is the process of analyzing a company's financial statements for decision-making purposes. External stakeholders use it to understand the overall health of an organization as well as to evaluate financial performance and business value. Internal constituents use it as a monitoring tool for managing the finances.

تحليل البيانات المالية هو عملية تحليل البيانات المالية للشركة لأغراض صنع القرار

b) Types of financial analysis

أنواع التحليل المالي

The most common types of financial analysis are:

1. Vertical: This type of financial analysis involves looking at various components of the income statement and dividing them by revenue to express them as a percentage.
2. Horizontal: Involves taking several years of financial data and comparing them to each other to determine a growth rate.
3. Leverage
4. Growth
5. Profitability
6. Liquidity
7. Efficiency
8. Cash Flow
9. Rates of Return: At the end of the day, investors, lenders, and finance professionals, in general, are focused on what type of risk-adjusted rate of return they can earn on their money. As such, assessing rates of return on investment (ROI) is critical in the industry. Common examples of rates of return measures include:

Return on Equity (ROE)

$$\text{ROE} = \text{Net Income} / \text{Shareholders' Equity}$$

Return on Assets (ROA)

$$\text{ROA} = \text{Net Income} / \text{Average Assets}$$

Or

$$\text{ROA} = \text{Net Income} / \text{End of Period Assets}$$

Dividend Yield

$$\text{Dividend Yield} = \text{Dividend per share} / \text{Market value per share}$$

10. Valuation

1. عمودي: يتضمن هذا النوع من التحليل المالي النظر في مختلف مكونات بيان الدخل وتقسيمها على الإيرادات للتعبير عنها كنسبة مئوية.
2. أفقي: يشمل أخذ عدة سنوات من البيانات المالية ومقارنتها مع بعضها البعض لتحديد معدل النمو.
3. النفوذ
4. النمو
5. الربحية
6. السيولة
7. الكفاءة
8. التدفق النقدي
9. معدلات العائد: في نهاية اليوم ، يركز المستثمرون والمقرضون والمهنيون الماليون بشكل عام على نوع معدل العائد المعدل حسب المخاطر الذي يمكنهم كسبه على أموالهم. على هذا النحو ، فإن تقييم معدلات العائد على الاستثمار (ROI) أمر بالغ الأهمية في الصناعة.
10. التقييم

	A	B	C	D	E
1					
2		Income Statement	Year 5		
3		Revenue	14,953,224		
4		Total Revenue	14,953,224		
5		Cost of Revenue, Total	8,368,961		
6		Gross Profit	6,584,263		
7		Selling/General/Administrative Expenses, Total	1,849,000		
8		Research & Development	964,842		
9		Depreciation/Amortization	310,357		
10		Unusual Expenses (Income)	163,800		
11		Other Operating Expenses, Total	0		
12		Operating Income	3,296,264		
13		Interest Expense	100		
14		Income Before Tax	3,296,164		
15		Income Tax - Total	809,366		
16		Income After Tax	2,486,798		
17		Total Extraordinary Items	0		
18		Net Income	2,486,798		
19					
20		Vertical Analysis	Year 5		
21		Gross Profit Ratio	44.0%		
22		Operating Profit Ratio	22.0%		
23		Net Profit Ratio	16.6%		
24					
25		Tax Ratio	24.6%		
26		Interest Coverage Ratio	32,962.6		

	A	B	C	D	E	F	G	H
1								
2		Income Statement	Year 1	Year 2	Year 3	Year 4	Year 5	
3		Revenue	2,065,845	3,037,103	6,009,395	11,065,186	14,953,224	
4		Total Revenue	2,065,845	3,037,103	6,009,395	11,065,186	14,953,224	
5		Cost of Revenue, Total	925,598	1,379,301	2,928,814	5,967,888	8,368,961	
6		Gross Profit	1,140,247	1,657,802	3,080,581	5,097,298	6,584,263	
7		Selling/General/Administrative Expenses, Total	515,625	537,428	880,964	1,495,195	1,849,000	
8		Research & Development	158,887	236,173	359,828	684,702	964,842	
9		Depreciation/Amortization	49,951	76,879	108,112	194,803	310,357	
10		Unusual Expenses (Income)	0	0	0	0	163,800	
11		Other Operating Expenses, Total	0	0	0	0	0	
12		Operating Income	415,784	807,322	1,731,677	2,722,598	3,296,264	
13		Interest Expense	483	494	518	502	100	
14		Income Before Tax	415,301	806,828	1,731,159	2,722,096	3,296,164	
15		Income Tax - Total	106,863	227,373	516,653	907,747	809,366	
16		Income After Tax	308,438	579,455	1,214,506	1,814,349	2,486,798	
17		Total Extraordinary Items	0	0	0	0	0	
18		Net Income	308,438	579,455	1,214,506	1,814,349	2,486,798	
19								
20		Ratios	Year 1	Year 2	Year 3	Year 4	Year 5	
21		Gross Profit Ratio	55.2%	54.6%	51.3%	46.1%	44.0%	
22		Operating Profit Ratio	20.1%	26.6%	28.8%	24.6%	22.0%	
23		Net Profit Ratio	14.9%	19.1%	20.2%	16.4%	16.6%	
24								
25		Tax Ratio	25.7%	28.2%	29.8%	33.3%	24.6%	
26		Interest Coverage Ratio	860.8	1,634.3	3,343.0	5,423.5	32,962.6	
27								

c) Components of financial analysis

A complete set of financial statements is made up of five components: an Income Statement, a Statement of Changes in Equity, a Balance Sheet, a Statement of Cash Flows, and Notes to Financial Statements.

1. Income statement

An income statement reports the company's financial performance over a given period of time and showcases a business's profitability. It can be used to predict future performance and assess the capability of future cash flow. You might also hear people refer to this as the profit and loss statement (P&L), statement of operations, or statement of earnings.

قوائم الدخل يوضح بيان الدخل الأداء المالي للشركة خلال فترة زمنية معينة ويعرض ربحية الشركة. يمكن استخدامه للتنبؤ بالأداء المستقبلي وتقييم قدرة التدفق النقدي في المستقبل.

- **Gross profit margin** is the percentage of revenue remaining after deducting your cost of goods sold. This is calculated by dividing gross profit by revenue from sales.

$$\text{Gross Profit Margin} = \text{Gross Profit} \div \text{Revenue from Sales}$$

هامش الربح الإجمالي هو النسبة المئوية للإيرادات المتبقية بعد خصم تكلفة البضائع المباعة. يتم حساب ذلك بقسمة إجمالي الربح على الإيرادات من المبيعات

- **Operating profit margin** indicates the amount of revenue left after COGS and operating expenses are considered. The formula for calculating operating margin is operating earnings divided by revenue.

يشير هامش الربح التشغيلي إلى مقدار الإيرادات المتبقية بعد أخذ تكلفة السلع المباعة ونفقات التشغيل في الاعتبار. صيغة حساب هامش التشغيل هي أرباح التشغيل مقسومة على الإيرادات.

$$\text{Operating Profit Margin} = \text{Operating Earnings} \div \text{Revenue}$$

- **Net profit margin** is the percentage of revenue after all expenses have been deducted from sales, and it indicates how much profit a business can make from its total sales. Net profit divided by revenue gives you the net profit margin.

هامش الربح الصافي هو النسبة المئوية للإيرادات بعد خصم جميع المصروفات من المبيعات ، ويشير إلى مقدار الربح الذي يمكن أن تحققه الشركة من إجمالي مبيعاتها. يمنحك صافي الربح مقسومًا على الإيرادات هامش الربح الصافي.

$$\text{Net Profit Margin} = \text{Net Profit} \div \text{Revenue}$$

2. Balance sheet

A balance sheet reports the company's assets, liabilities, and shareholder equity at a specific point in time. In every balance sheet, assets must equal the total of your liabilities and equity, meaning the dollar amount must zero out.

تُبلغ الميزانية العمومية عن أصول الشركة وخصومها وحقوق المساهمين في نقطة زمنية محددة. في كل ميزانية عمومية ، يجب أن تساوي الأصول إجمالي المطلوبات وحقوق الملكية ، مما يعني أن المبلغ بالدولار يجب أن يكون صفرًا.

$$\text{Assets} = (\text{Liabilities} + \text{Equity})$$

- **Liquidity ratios** are portions of the company's assets and current liabilities. They are used to measure a business's ability to pay short-term debts.

نسب السيولة هي أجزاء من أصول الشركة ومطلوباتها المتداولة. يتم استخدامها لقياس قدرة الشركة على سداد الديون قصيرة الأجل.

- **Leverage ratios** look at how much capital comes in the form of a debt (or loan). Too much debt can be dangerous for a business and turn off investors.

تبحث نسب الرافعة المالية في مقدار رأس المال الذي يأتي في شكل دين (أو قرض). قد يكون الكثير من الديون خطيرًا على الأعمال التجارية ويؤدي إلى إبعاد المستثمرين.

- **Efficiency ratios** measure a company's ability to use its assets and manage liabilities to generate income. An efficiency ratio can help determine the following:

تقيس نسب الكفاءة قدرة الشركة على استخدام أصولها وإدارة المطلوبات لتوليد الدخل. يمكن أن تساعد نسبة الكفاءة في تحديد ما يلي:

- **Inventory turnover** measures how many times a business sold its total inventory over the past year, in dollar amount. A high ratio implies strong sales while a low turnover ratio implies weak sales and excess inventory. Take your cost of goods sold divided by average inventory to determine your turnover.

معدل دوران المخزون يقيس عدد المرات التي باعت فيها الشركة إجمالي مخزونها خلال العام الماضي ، بالدولار. تشير النسبة المرتفعة إلى مبيعات قوية بينما تشير نسبة الدوران المنخفضة إلى ضعف المبيعات والمخزون الزائد.

$$\text{Inventory Turnover} = \text{COGS} \div \text{Average Inventory}$$

- **Total asset turnover** showcases the business's ability to generate sales from its assets. You can determine this by dividing the net sales by the average total assets.

$$\text{Total Asset Turnover} = \text{Net Sales} \div \text{Average Total Assets}$$

يوضح إجمالي دوران الأصول قدرة الشركة على تحقيق مبيعات من أصولها. يمكنك تحديد ذلك بقسمة صافي المبيعات على متوسط إجمالي الأصول.

- **Net asset turnover** compares the value of a business' sales relative to the value of its assets. Calculate your net asset turnover by taking your sales divided by your average total assets

يقارن صافي معدل دوران الأصول قيمة مبيعات الشركة بالنسبة إلى قيمة أصولها. احسب صافي دوران الأصول الخاص بك عن طريق قسمة مبيعاتك على متوسط إجمالي الأصول

$$\text{Net Asset Turnover} = \text{Sales} \div \text{Average Total Assets}$$

3. Cash flow statement

A cash flow statement reports the amount of cash generated during a given period of time. It's intended to provide information on a business's current liquidity and solvency as well as its ability to change cash flows in the future.

3. بيان التدفق النقدي

يوضح بيان التدفق النقدي مقدار النقد المتولد خلال فترة زمنية معينة. الغرض منه هو توفير معلومات حول السيولة الحالية للشركة والملاءة المالية بالإضافة إلى قدرتها على تغيير التدفقات النقدية في المستقبل.

The three main components of a cash flow statement are:

- I. Cash from operations
- II. Cash from investing
- III. Cash from financing

المكونات الثلاثة الرئيسية لبيان التدفق النقدي هي:

أولا - النقدية من العمليات

ثانيا- النقد من الاستثمار

ثالثا- النقد من التمويل

- **Operating cash flow to net sales** tells you how many dollars in cash are generated for dollars of sales. It's a percentage of a business's operating cash flow to its net sales from the income statement.

يخبرك التدفق النقدي التشغيلي إلى صافي المبيعات بعدد الدولارات النقدية التي يتم توليدها مقابل المبيعات بالدولار. إنها نسبة من التدفق النقدي التشغيلي للشركة إلى صافي مبيعاتها من بيان الدخل.

$$\text{Operating Cash Flow to Net Sales (\%)} = \text{Operating Cash Flow} \div \text{Net Sales}$$

2. Financial statements

Financial statements are written records that convey the business activities and the financial performance of a company. Financial statements are often audited by government agencies, accountants, firms, etc. to ensure accuracy and for tax, financing, or investing purposes.

Financial statements include:

- Balance sheet: provides an overview of assets, liabilities, and stockholders' equity as a snapshot in time.
- Income statement: focuses on a company's revenues and expenses during a particular period. Once expenses are subtracted from revenues, the statement produces a company's profit figure called net income.
- Cash flow statement: measures how well a company generates cash to pay its debt obligations, fund its operating expenses, and fund investments.

2. القوائم المالية.

البيانات المالية هي سجلات مكتوبة تنقل الأنشطة التجارية والأداء المالي للشركة. غالبًا ما يتم تدقيق البيانات المالية من قبل الوكالات الحكومية والمحاسبين والشركات ، وما إلى ذلك لضمان الدقة ولأغراض الضرائب أو التمويل أو الاستثمار. البيانات المالية تشمل:

- الميزانية العمومية: تقدم نظرة عامة على الأصول والخصوم وحقوق المساهمين كلقطة في الوقت المناسب.
- بيان الدخل: يركز على إيرادات الشركة ونفقاتها خلال فترة معينة. بمجرد طرح المصاريف من الإيرادات ، ينتج البيان رقم ربح الشركة يسمى صافي الدخل.
- بيان التدفق النقدي: يقيس مدى جودة الشركة في توليد النقد لسداد التزامات ديونها ، وتمويل نفقات التشغيل ، واستثمارات الصندوق.

a) Basis for analysis

Financial accounting calls for all companies to create a balance sheet, income statement, and cash flow statement which form the basis for financial statement analysis. Horizontal, vertical, and ratio analysis are three techniques analysts use when analyzing financial statements.

For any financial professional, it is important to know how to effectively analyze the financial statements of a firm. This requires an understanding of three key areas:

1. The structure of the financial statements
2. The economic characteristics of the industry in which the firm operates and
3. The strategies the firm pursues to differentiate itself from its competitors.

أساس التحليل

تدعو المحاسبة المالية جميع الشركات إلى إنشاء ميزانية عمومية وبيان الدخل وبيان التدفقات النقدية التي تشكل الأساس لتحليل البيانات المالية. التحليل الأفقي والرأسي والنسبة هي ثلاث تقنيات يستخدمها المحللون عند تحليل البيانات المالية. بالنسبة لأي محترف مالي ، من المهم معرفة كيفية تحليل البيانات المالية للشركة بشكل فعال. هذا يتطلب فهم ثلاثة مجالات رئيسية:

1. هيكل البيانات المالية

2. الخصائص الاقتصادية للصناعة التي تعمل فيها الشركة و

3. الاستراتيجيات التي تنتهجها الشركة لتمييز نفسها عن منافسيها.

There are generally six steps to developing an effective analysis of financial statements.

1. Identify the industry economic characteristics.
2. Identify company strategies.
3. Assess the quality of the firm's financial statements.
4. Analyze current profitability and risk.
5. Prepare forecasted financial statements.
6. Value the firm.

بشكل عام ، هناك ست خطوات لتطوير تحليل فعال للبيانات المالية.

1. التعرف على الخصائص الاقتصادية للصناعة.

2. تحديد استراتيجيات الشركة.

3. تقييم جودة البيانات المالية للشركة.

4. تحليل الربحية والمخاطر الحالية.

5. إعداد البيانات المالية المتوقعة.

6. قيمة الشركة.

b) Business activities

Business activities are reflected in financial statements; business activities include: – Operating activities – selling goods and services. – Investing activities – acquisition and sale of productive assets. – Financing activities – issue and retirement/repayment of liabilities and equity.

الأنشطة التجارية

تتعكس الأنشطة التجارية في البيانات المالية ؛ تشمل الأنشطة التجارية: - الأنشطة التشغيلية - بيع السلع والخدمات. - أنشطة الاستثمار - اقتناء وبيع الأصول الإنتاجية. - أنشطة التمويل - إصدار وسحب / سداد المطلوبات وحقوق الملكية.

c) Financial statement reflecting business activities

An owner's equity statement gives you a picture of the changes that occur in an investor's ownership of the company, and how much equity the owner has for each reporting period.

Owner's equity increases when the net income of the company increases, or when the owner puts in additional cash or assets into the business.

The cash flow statement shows where a company receives its cash, and how it spends it. The operating profit is the profit that a company makes from its primary business activity.

The firm's balance sheet reflects the operating profit. Because firms can make a profit from a variety of sources, including investments, understanding how much operating profit the primary business makes.

بيان مالي يعكس الأنشطة التجارية

يمنحك بيان حقوق الملكية صورة للتغيرات التي تحدث في ملكية المستثمر للشركة ، ومقدار حقوق الملكية التي يمتلكها المالك لكل فترة تقرير. تزداد حقوق الملكية عندما يزداد صافي دخل الشركة ، أو عندما يضع المالك نقدًا أو أصولًا إضافية في العمل. يوضح بيان التدفق النقدي المكان الذي تتلقى فيه الشركة أموالها وكيف تنفقها. الربح التشغيلي هو الربح الذي تحققه الشركة من نشاطها التجاري الأساسي.

تعكس الميزانية العمومية للشركة أرباح التشغيل. لأن الشركات يمكن أن تحقق ربحًا من مجموعة متنوعة من المصادر ، بما في ذلك الاستثمارات ، وفهم مقدار الربح التشغيلي الذي تحققه الأعمال الأساسية.



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1. Uses of financial analysis

- a) Credit analysis
- b) Analytical consulting
- c) Mergers & Acquisitions analysis
- d) Financial planning
- e) Financial control
- f) Performance evaluation

1. استخدامات التحليل المالي

أ) تحليل الائتمان

ب) الاستشارات التحليلية

ج) تحليل عمليات الاندماج والاستحواذ

د) التخطيط المالي

هـ) الرقابة المالية

و) تقييم الأداء

2. Beneficiaries of financial analysis

- a) Management
- b) Investors
- c) Lenders
- d) Official bodies

2. المستفيدون من التحليل المالي

أ) الإدارة

ب) المستثمرون

ج) المقرضون

د) الهيئات الرسمية

3. The financial reporting environment

Companies have been reporting financial accounting information to external parties for many years and have done so all over the world. But the particular way in which companies report their financial situation to the outside world differs from country to country and evolves over time. Financial reporting is shaped by the interplay of the parties in society that have an interest in this information, including the preparers (managers of reporting companies) and users of the information, information intermediaries, regulators and auditors. Together, these parties constitute the financial reporting environment.

3. بيئة التقارير المالية

تقوم الشركات بالإبلاغ عن معلومات المحاسبة المالية إلى أطراف خارجية لسنوات عديدة وقد فعلت ذلك في جميع أنحاء العالم. لكن الطريقة الخاصة التي تُبلّغ بها الشركات عن وضعها المالي للعالم الخارجي تختلف من بلد إلى آخر وتتطور بمرور الوقت. يتشكل إعداد التقارير المالية من خلال تفاعل الأطراف في المجتمع التي لها مصلحة في هذه المعلومات ، بما في ذلك المعدون (مديرو الشركات المبلّغة) ومستخدمي المعلومات ووسطاء المعلومات والمنظمين والمراجعين. تشكل هذه الأطراف معًا بيئة إعداد التقارير المالية.

4. Statutory reporting

Statutory reporting is the mandatory submission of financial and non-financial information to a government agency. Each industry has its own set of laws and regulations (statues) that mandate reports. In many countries, International Financial Reporting Standards (IFRS) has replaced country-specific Generally Accepted Accounting Principles for statutory reporting.

According to Companies Act 1956, a report is prepared by the board of directors of every public limited company and forward the same to its every shareholder, called statutory report, at least 21 days before the day on which the statutory meeting is to be held.

4. التقارير القانونية

الإبلاغ القانوني هو التقديم الإلزامي للمعلومات المالية وغير المالية إلى وكالة حكومية. كل صناعة لديها مجموعة من القوانين واللوائح (التمائيل) التي تفرض التقارير. في العديد من البلدان ، حلت المعايير الدولية لإعداد التقارير المالية (IFRS) محل مبادئ المحاسبة المقبولة عمومًا الخاصة بكل بلد لإعداد التقارير القانونية.

وفقًا لقانون الشركات لعام 1956 ، يتم إعداد تقرير من قبل مجلس إدارة كل شركة عامة محدودة وإرساله إلى كل مساهم ، يسمى التقرير القانوني ، قبل 21 يومًا على الأقل من اليوم الذي سيعقد فيه الاجتماع القانوني.

What is the difference between statutory and regulatory reporting?

Both statutory requirements and regulatory requirements are those requirements that are required by law. ... "Statutory refers to laws passed by a state and/or central government, while regulatory refers to a rule issued by a regulatory body appointed by a state and/or central government."

ما هو الفرق بين التقارير القانونية والتنظيمية؟ كل من المتطلبات القانونية والمتطلبات التنظيمية هي تلك المتطلبات التي يتطلبها القانون. ... "التشريعي يشير إلى القوانين التي تم تمريرها من قبل دولة و / أو حكومة مركزية ، بينما يشير التنظيم إلى قاعدة صادرة عن هيئة تنظيمية معينة من قبل دولة و / أو حكومة مركزية."

What is a Non-Statutory report?

Non-statutory reports are prepared in order to help the board of directors or top executives to take a quality decision for the effective control and management of business organization but not required under the provisions of any law.

ما هو التقرير غير القانوني؟

يتم إعداد التقارير غير القانونية من أجل مساعدة مجلس الإدارة أو كبار المديرين التنفيذيين على اتخاذ قرار الجودة للرقابة والإدارة الفعالة لتنظيم الأعمال ولكن ليس مطلوبًا بموجب أحكام أي قانون.

Examples of Statutory Reports

1. Statutory Report submitted at the statutory meeting of the company.
2. Directors' Report to the Annual General Meeting.
3. Annual Returns.
4. Auditors' Report.
5. Reports by Inspectors appointed to investigate the affairs of the company.

أمثلة على التقارير القانونية

1. التقرير القانوني المقدم في الاجتماع النظامي للشركة.
2. تقرير مجلس الإدارة إلى اجتماع الجمعية العمومية السنوي.
3. العوائد السنوية.
4. تقرير المراجعين.
5. تقارير المفتشين المعينين للتحقيق في شؤون الشركة.

Contents of Statutory report

The statutory report contains the following information.

1. Total number of shares allotted whether fully paid up or partly paid up.
2. Total cash received for shares allotment.
3. An abstract of cash receipts and payments.
4. The name, address, occupation of the directors of the company.
5. Material information of a contract.

محتويات التقرير القانوني

يحتوي التقرير القانوني على المعلومات التالية.

1. إجمالي عدد الأسهم المخصصة سواء مدفوعة بالكامل أو مدفوعة جزئياً.
2. إجمالي النقد المستلم لتخصيص الأسهم.

3. ملخص المقبوضات والمدفوعات النقدية.

4. اسم وعنوان ومهنة مدير الشركة.

5. المعلومات الجوهرية للعقد.

5. Factors Affecting Statutory Financial Reports

Financial statements are prepared in accordance with GAAP, which are the rules and guidelines of financial accounting. These rules determine measurement and recognition policies such as how assets are measured, when liabilities are incurred, when revenues and gains are recognized, and when expenses and losses are incurred. International Financial Reporting Standards IFRS, which refers to rules and principles that are laid down by the International Accounting Standards Board and adopted by the most of the countries outside the United States. GAAP is very detailed with a many specific rules and regulations, IFRS tends to be more principle oriented with less detailed guidance.

5. العوامل المؤثرة في التقارير المالية النظامية

يتم إعداد البيانات المالية وفقاً لمبادئ المحاسبة المقبولة عموماً ، وهي القواعد والمبادئ التوجيهية للمحاسبة المالية. تحدد هذه القواعد سياسات القياس والاعتراف مثل كيفية قياس الأصول ، ومتى يتم تكبد الالتزامات ، وعندما يتم الاعتراف بالإيرادات والأرباح ، ومتى يتم تكبد المصاريف والخسائر. المعايير الدولية لإعداد التقارير المالية IFRS ، والتي تشير إلى القواعد والمبادئ التي وضعها مجلس معايير المحاسبة الدولية واعتمدها معظم الدول خارج الولايات المتحدة. مبادئ المحاسبة المقبولة عموماً مفصلة للغاية مع العديد من القواعد واللوائح المحددة ، وتميل المعايير الدولية لإعداد التقارير المالية إلى أن تكون أكثر توجهاً نحو المبادئ مع إرشادات أقل تفصيلاً.

- Generally Accepted Accounting Principles
 - GAAP Setting Accounting Standards
 - Role of the Securities and Exchange Commission
- International Accounting Standards Managers
- Monitoring and Enforcement Mechanisms
 - Securities and Exchange Commission
 - Auditing
 - Corporate Governance
 - Litigation
- Alternative Information Sources
 - Economic
 - Industry, and Company Information
 - Voluntary Disclosure
 - Information Intermediaries

• مبادئ المحاسبة المقبولة عموماً GAAP

○ وضع معايير المحاسبة

- o دور هيئة الأوراق المالية والبورصات
- مدراء معايير المحاسبة الدولية
- آليات المراقبة والتنفيذ
- o لجنة الأوراق المالية والبورصات
- o التدقيق
- o حوكمة الشركات
- o التقاضي
- مصادر المعلومات البديلة
- o الاقتصادية
- o الصناعة ومعلومات الشركة
- o الإفصاح الطوعي
- o وسطاء المعلومات

Village Shipping Inc. Income Statement Horizontal Analysis For the years ending December 31, 2014 and December 31, 2015			% Change 2015 from 2014
	2014	2015	
Sales	500,000	475,000	-5.00%
Cost of goods sold	269,000	265,000	-1.49%
Gross profit	231,000	210,000	-9.09%
Wages	163,000	154,000	-5.52%
Repairs	4,150	5,800	39.76%
Rent	12,000	13,000	8.33%
Taxes	17,930	16,940	-5.52%
Office expenses	587	1,023	14.14%
Total expenses	197,667	190,763	-3.49%
Net Income	33,333	19,237	-42.29%

Exhibit 1

$$2015 \setminus 2014 = x$$

$$(X - 1) * 100 = \% \text{ change}$$

$$475000 \setminus 500000 = 0.95$$

$$(0.95 - 1) * 100 =$$

$$(-0.05) * 100 = -5\%$$

Exercise A Income statement data for Boston Company for 2009 and 2010 as follow:

	2009	2010
Sales Revenue	\$2,610,000	\$1,936,000
Cost of goods sold	1,829,600	1,256,400
Selling expenses	396,800	350,000
Administrative expenses	234,800	198,400
Federal income taxes	57,600	54,000

Prepare a horizontal analysis of the income data to show the percentage of change (in a form similar to Exhibit 1)

Exercise B Income statement data for the years 2011, 2012, and 2013 as follow:

CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except number of shares which are reflected in thousands and per share amounts)

	Years ended		
	September 28, 2013	September 29, 2012	September 24, 2011
Net sales	\$170,910	\$156,508	\$108,249
Cost of sales	106,606	87,846	64,431
Gross margin	64,304	68,662	43,818
Operating expenses:			
Research and development	4,475	3,381	2,429
Selling, general and administrative	10,830	10,040	7,599
Total operating expenses	15,305	13,421	10,028
Operating income	48,999	55,241	33,790
Other income/(expense), net	1,156	522	415
Income before provision for income taxes	50,155	55,763	34,205
Provision for income taxes	13,118	14,030	8,283
Net income	<u>\$ 37,037</u>	<u>\$ 41,733</u>	<u>\$ 25,922</u>
Earnings per share:			
Basic	\$ 40.03	\$ 44.64	\$ 28.05
Diluted	\$ 39.75	\$ 44.15	\$ 27.68
Shares used in computing earnings per share:			
Basic	925,331	934,818	924,258
Diluted	931,662	945,355	936,645
Cash dividends declared per common share	\$ 11.40	\$ 2.65	\$ 0.00

See accompanying Notes to Consolidated Financial Statements.

Required, prepare vertical and horizontal analysis using (Gross profit margin \ Operating profit margin \ Net profit margin)



Contents

1. Questions
2. Practices

Q1 What is the meaning of financial analysis? Count three types of financial analysis.

Financial statement analysis is the process of analyzing a company's financial statements for decision-making purposes.

1. Vertical
2. Horizontal
3. Leverage
4. Growth
5. Profitability
6. Liquidity
7. Efficiency
8. Cash Flow
9. Rates of Return
10. Valuation

Q2 Define each of the following

Financial statements \ Horizontal analysis \ Vertical analysis

1. Vertical: This type of financial analysis involves looking at various components of the income statement and dividing them by revenue to express them as a percentage.
2. Horizontal: Involves taking several years of financial data and comparing them to each other to determine a growth rate.
3. Financial statements are written records that convey the business activities and the financial performance of a company.

Q3 What are the components of financial analysis?

1. Income Statements
2. Balance sheet statement
3. Cash flow statement
4. Notes to Financial Statements

Q4 What are the three main components of a cash flow statement are:

1. Cash from operations
2. Cash from investing
3. Cash from financing

Q5 What is meant by (Income Statements \ Balance sheet statement \ Cash flow statement)?

- Balance sheet: provides an overview of assets, liabilities, and stockholders' equity as a snapshot in time.
- Income statement: focuses on a company's revenues and expenses during a particular period. Once expenses are subtracted from revenues, the statement produces a company's profit figure called net income.
- Cash flow statement: measures how well a company generates cash to pay its debt obligations, fund its operating expenses, and fund investments.

Q6 How many steps are there to developing an effective analysis of financial statements? Count two.

There are six steps

1. Identify the industry economic characteristics.
2. Identify company strategies.
3. Assess the quality of the firm's financial statements.
4. Analyze current profitability and risk.
5. Prepare forecasted financial statements.
6. Value the firm.

Q7 What are the uses of financial analysis?

1. Credit analysis
2. Analytical consulting
3. Mergers & Acquisitions analysis
4. Financial planning
5. Financial control
6. Performance evaluation

المستفيدين

Q8 Who are the beneficiaries of financial analysis?

- a) Management
- b) Investors
- c) Lenders
- d) Official bodies

Q9 Two of the beneficiaries of financial analysis are and

Q10 What is meant by statutory reports? Give an example of statutory report.

Statutory reporting is the mandatory submission of financial and non-financial information to a government agency.

1. Statutory Report submitted at the statutory meeting of the company.
2. Directors' Report to the Annual General Meeting.
3. Annual Returns.
4. Auditors' Report.
5. Reports by Inspectors appointed to investigate the affairs of the company.

Q11 What are the factors affecting statutory financial reports?

- Generally Accepted Accounting Principles
- International Accounting Standards Managers
- Monitoring and Enforcement Mechanisms
- Alternative Information Sources

Q12 What are the laws for vertical and horizontal analysis?

Vertical = $\frac{\text{Item Value}}{\text{Total Net sales}} * 100\%$

Horizontal = $\frac{\text{Current value}}{\text{Previous value}} * 100\%$

Income Statement	Balance Sheet								
<p>Vertical Analysis = $\frac{\text{Item Value}}{\text{Sales Revenue}}$</p> <p>GPR OPR</p>	<p>V.A. = $\frac{\text{Item Value}}{\text{Total}}$</p> <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="text-align: center;">Assets</td> <td style="text-align: center;">L. and E.</td> </tr> <tr> <td style="text-align: center;">≡</td> <td style="text-align: center;">≡</td> </tr> <tr> <td style="text-align: center;">Total Assets</td> <td style="text-align: center;">Total L. and E.</td> </tr> <tr> <td colspan="2" style="text-align: center;">≡</td> </tr> </table>	Assets	L. and E.	≡	≡	Total Assets	Total L. and E.	≡	
Assets	L. and E.								
≡	≡								
Total Assets	Total L. and E.								
≡									

P1 Income statement data for Boston Company for 2009 and 2010 as follow:

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Cost of goods sold	1,829,600	1,256,400
Selling expenses	396,800	350,000
Administrative expenses	234,800	198,400
Federal income taxes	57,600	54,000

Required: Prepare a horizontal analysis of the income data to show the percentage of change

مِنْ سَبْءِ التَّعْدِءِ
الْقِيَمَةُ السَّالِفَةُ / الْقِيَمَةُ الْحَالِيَةُ
(P.V. / C.V.) * 100
(-1)

Solution:

	2009	2010	The % of change
① Sales Revenue	\$2,610,000	\$1,936,000	-25.82%
② Cost of goods sold	1,829,600	1,256,400	-31.33%
③ Selling expenses	396,800	350,000	-11.8%
④ Administrative expenses	234,800	198,400	-15.5%
⑤ Federal income taxes	57,600	54,000	-6.25%

$$① 1,936,000 / 2,610,000 = (0.7417 - 1) = -0.25823 * 100 = -25.82\%$$

$$② 1,256,400 / 1,829,600 = (0.6867 - 1) = -0.31329 * 100 = -31.33\%$$

$$③ 350,000 / 396,800 = (0.8820 - 1) = -0.11794 * 100 = -11.8\%$$

$$④ 198,400 / 234,800 = (0.8449 - 1) = -0.15502 * 100 = -15.5\%$$

$$⑤ 54,000 / 57,600 = (0.9375 - 1) = -0.0625 * 100 = -6.25\%$$

$$\left[\frac{\text{القيمة الحالية}}{\text{القيمة السابقة}} - 1 \right] * 100$$

P2 Income statement data for the years 2011, 2012, and 2013 as follow:

CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except number of shares which are reflected in thousands and per share amounts)

	Years ended		
	September 28, 2013	September 29, 2012	September 24, 2011
Net sales	\$170,910	\$156,508	\$108,249
Cost of sales	106,606	87,846	64,431
Gross margin	<u>64,304</u>	<u>68,662</u>	<u>43,818</u>
Operating expenses:			
Research and development	4,475	3,381	2,429
Selling, general and administrative	10,830	10,040	7,599
Total operating expenses	<u>15,305</u>	<u>13,421</u>	<u>10,028</u>
Operating income	<u>48,999</u>	<u>55,241</u>	<u>33,790</u>
Other income/(expense), net	1,156	522	415
Income before provision for income taxes	50,155	55,763	34,205
Provision for income taxes	13,118	14,030	8,283
Net income	<u>\$ 37,037</u>	<u>\$ 41,733</u>	<u>\$ 25,922</u>
Earnings per share:			
Basic	\$ 40.03	\$ 44.64	\$ 28.05
Diluted	\$ 39.75	\$ 44.15	\$ 27.68
Shares used in computing earnings per share:			
Basic	925,331	934,818	924,258
Diluted	931,662	945,355	936,645
Cash dividends declared per common share	\$ 11.40	\$ 2.65	\$ 0.00

See accompanying Notes to Consolidated Financial Statements.

مطلوب

Required, prepare vertical and horizontal analysis using Gross profit margin \ Operating profit margin \ Net profit margin

Solution:

Ratio \ Year	2013	2012	2011
GPR	37.62%	43.9%	40.5%
OPM	28.67%	35.3%	31.22%
NPM	21.7%	26.67%	23.95%

$$GPR = \frac{\text{Gross margin}}{\text{Revenue (sales)}} \times 100$$

$$2013 \quad \frac{64,304}{170,910} \times 100 = 37.62$$

$$2012 \quad \frac{68,662}{156,508} \times 100 = 43.9\%$$

$$OPM = \frac{\text{Operating profit}}{\text{Revenue (sales)}} \times 100$$

$$2013 \quad \frac{48,999}{170,910} \times 100 = 28.67\%$$

$$2012 \quad \frac{55,241}{156,508} \times 100 = 35.3\%$$

$$NPM = \frac{\text{Net profit}}{\text{Revenue (sales)}} \times 100$$

$$2013 \quad \frac{37,037}{170,910} \times 100 = 21.7\%$$

$$2012 \quad \frac{41,733}{156,508} \times 100 = 26.67\%$$

Financial Statement Analysis

Example / The Following Balances Have Appeared In The Financial Statements (Income List And Balance Sheet) Of Al-Nasr Company For The Financial Periods That Appear At The Top Of Each List, And You Are Required To Perform Both Vertical Analysis And Horizontal Analysis.

- Income Statement

% Horizontal Analysis		% Vertical Analysis		12/31		Statement
2009	2008	2009	2008	2009	2008	
130,19	0	100	100	197830	151952	The Sales (1)
116,47	0	53,26	59,53	105359	90458	-Cost Of Goods Sold (2)
150,37	0	46,74	40,47	92471	61494	Gross Profit (3)
156,48	0	15,28	12,71	30214	19315	Total Operating Expenses
147,64	0	31,47	27,75	62257	42169	Net Operating Profit
72,90	0	2,69	4,80	5317	7294	- Interest (4)
162,76	0	28,78	23,02	56940	34985	Net Profit Before Tax
162,76	0	5,76	4,60	11388	6997	Tax 20%
162,76	0	23,02	18,42	45552	27988	Net Profit After Tax

Solution:

Vertical Analysis 2008

Item value / Net sales * 100%

- ① $(151952 / 151952) * 100 = 100\%$
- ② $(90458 / 151952) * 100 = 59.53\%$
- ③ $(61494 / 151952) * 100 = 40.47\%$
- ④ $(7294 / 151952) * 100 = 4.8\%$

Vertical Analysis 2009

- ① $(197830 / 197830) * 100 = 100\%$
- ② $(105359 / 197830) * 100 = 53.26\%$
- ③ $(92471 / 197830) * 100 = 46.74\%$
- ④ $(5317 / 197830) * 100 = 2.69\%$

Horizontal Analysis 2008

$(C.V / P.V) * 100$

- ① $(151952 / 0) * 100 = 0$
- ② $(90458 / 0) * 100 = 0$
- ③ $(61494 / 0) * 100 = 0$
- ④ $(7294 / 0) * 100 = 0$

Horizontal Analysis 2009

- ① $(197830 / 151952) * 100 = 130.19\%$
- ② $(105359 / 90458) * 100 = 116.47\%$
- ③ $(92471 / 61494) * 100 = 150.37\%$
- ④ $(5317 / 7294) * 100 = 72.90\%$

Solution:

Horizontal Analysis %	Analysis %	% Vertical Analysis		الفترة المنتهية في 12/31		Statement
		2009	2008	2009	2008	
109,18	0	40,37	43,08	122163	111895	Current Assets ①
						Fixed Assets
100	0	10,77	12,55	32594	32594	Land ②
95,5	0	8,64	10,54	26152	27383	Buildings
141,97	0	29,38	24,11	88913	62627	Machines
130,24	0	10,85	9,71	32845	25219	The Cars ③
122,07	0	59,63	56,92	180454	147823	Total
116,52	0	100	100	302617	259718	Total Assets
						Liabilities And Equity
						Current Liabilities
						Creditors
133,37	0	13,84	12,09	41895	31412	
122,37	0	5,74	5,47	17383	14205	Account Payable
129,95	0	19,59	17,56	59278	45617	Total
						Long-Term Liabilities
100	0	11,57	13,48	35000	35000	Bond Loan
42,87	0	2,01	5,47	6090	14205	Bank Loan
83,51	0	13,58	18,95	41090	49205	Total
						Equity
120	0	39,65	38,5	120000	100000	Capital - Ordinary Shares
100	0	16,52	19,25	50000	50000	Capital Shares Are Excellent
253,99	0	10,66	4,88	32249	12697	A. Retained
124,31	0	66,83	62,64	202249	162697	Total
116,52	0	100	100	302617	259718	Total Liabilities And Equity

Solution:-
 Vertical Analysis 2008
 A) Item Value / Total Assets *100
 B) Item Value / total L. and E. *100
 ① $(111895 / 259718) * 100 = 43.08\%$
 ② $(32594 / 259718) * 100 = 12.55\%$
 ③ $(25219 / 259718) * 100 = 9.71\%$

Horizontal Analysis 2008
 C.U / P.U *100
 ① $(111895 / 10) * 100 = 0$
 ② $(32594 / 0) * 100 = 0$
 ③ $(25219 / 0) * 100 = 0$

Vertical Analysis 2009
 ① $(122163 / 302617) * 100 = 40.37\%$
 ② $(32594 / 302617) * 100 = 10.77\%$
 ③ $(32845 / 302617) * 100 = 10.85\%$

Horizontal Analysis 2009
 ① $(122163 / 111895) * 100 = 109.18\%$
 ② $(32594 / 32594) * 100 = 100\%$
 ③ $(32845 / 25219) * 100 = 130.24\%$



Contents

Preparing cash flow statement

➤ Prepare cash flow statement

A cash flow statement documents in detail all company income and debt over a specific period of time. It reflects the short-term viability of a company by indicating whether it has enough cash on hand to pay its employees and debts. If it does, then the company is considered to have a “positive” cash flow.

□ إعداد بيان التدفق النقدي

يوثق بيان التدفق النقدي بالتفصيل جميع دخل الشركة وديونها خلال فترة زمنية محددة. إنه يعكس صلاحية الشركة على المدى القصير من خلال الإشارة إلى ما إذا كان لديها نقود كافية في متناول اليد لدفع موظفيها وديونها. إذا كان الأمر كذلك ، فإن الشركة لديها تدفق نقدي "إيجابي".

The cash flow Analysis refers to the examination or analysis of the different inflows of the cash to the company and the outflow of the cash from the company during the period under consideration from the different activities which include operating activities, investing activities and financing activities.

يشير تحليل التدفق النقدي إلى فحص أو تحليل التدفقات النقدية الداخلة المختلفة إلى الشركة والتدفقات النقدية الخارجة من الشركة خلال الفترة قيد النظر من الأنشطة المختلفة التي تشمل الأنشطة التشغيلية وأنشطة الاستثمار وأنشطة التمويل.

Types of Cash Flow

The cash flow statement (also referred to as a “statement of cash flows”) is broken down into three sections:

أنواع التدفق النقدي

ينقسم بيان التدفق النقدي (يشار إليه أيضًا باسم "بيان التدفقات النقدية") إلى ثلاثة أقسام:

أنشطة التشغيل

Operating activities

Cash flow operating activities are the costs directly associated with the production and sale of a company’s product, and the income generated by those sales. These costs include:

- Purchase of raw materials
- Building Inventory
- Advertising
- Payments to vendors
- Payroll and employee benefits’ payments
- Dividends from company investments
- Interest received or paid

- Income taxes & deferred taxes
- Income from sales of products or services
- Depreciation and amortization
- Sale of non-current assets

أنشطة تشغيل التدفق النقدي هي التكاليف المرتبطة مباشرة بإنتاج وبيع منتج الشركة والدخل الناتج عن تلك المبيعات. تشمل هذه التكاليف:

- شراء المواد الخام
- جرد المباني
- إعلان
- المدفوعات للبائعين
- الرواتب ومدفوعات استحقاقات الموظفين
- توزيعات أرباح من استثمارات الشركة
- الفوائد المستلمة أو المدفوعة
- ضرائب الدخل والضرائب المؤجلة
- الدخل من مبيعات المنتجات أو الخدمات
- الإهلاك واستهلاك الدين
- بيع الأصول غير المتداولة

Investing activities

This is cash spent on:

- Long term investments (for example, purchase or sales of stocks and bonds)
- Properties and equipment (purchases or sales of)
- Loan payments (but not interest. Interest on bank loans would go under 'Operating Activities' above)
- Money loans
- Costs related to payments for merger and acquisitions

Although a business can generate cash flow by selling properties and equipment, those specific costs are not an indication of a profitable business.

نشاطات إستثمارية

هذا هو النقد الذي يتم إنفاقه على:

- الاستثمارات طويلة الأجل (على سبيل المثال ، شراء أو بيع الأسهم والسندات)

- الممتلكات والمعدات (شراء أو بيع)
 - مدفوعات القروض (لكن ليس الفوائد. ستندرج الفائدة على القروض المصرفية ضمن "أنشطة التشغيل" أعلاه)
 - القروض النقدية
 - التكاليف المتعلقة بمدفوعات الاندماج والاستحواذ
- على الرغم من أن الأعمال التجارية يمكن أن تولد تدفقًا نقديًا عن طريق بيع العقارات والمعدات ، إلا أن هذه التكاليف المحددة لا تشير إلى عمل تجاري مربح.

Financing activities

Financing activities refer to:

- Incoming cash from investors and shareholders
- Incoming cash from issuing debt (for instance, bonds)
- Outgoing cash in the form of dividends
- Repurchasing of stock
- Proceeds from employees exercising stock options
- Capital lease (a large expense, such as a building that is being accounted for over a number of years).

أنشطة التمويل

تشير أنشطة التمويل إلى:

- النقد الوارد من المستثمرين والمساهمين
- النقد الوارد من إصدار الديون (على سبيل المثال ، السندات)
- النقد الصادر على شكل توزيعات أرباح
- إعادة شراء الأسهم
- عائدات الموظفين الذين يمارسون خيارات الأسهم
- عقد إيجار رأسمالي (نفقات كبيرة ، مثل مبنى يتم احتسابه على مدى عدد من السنوات).

How Do You Calculate Cash Flow?

There are two methods to calculate cash flow. Each have a different approach to the way “Operating Activities” are calculated.

كيف تحسب التدفق النقدي؟

هناك طريقتان لحساب التدفق النقدي. لكل منهما نهج مختلف للطريقة التي يتم بها حساب "أنشطة التشغيل".

Cash flow calculation: direct method

The accounting department of a company adds up all payments and receipts.

This is the universally recommended way to calculate cash flow because the expenses and income are so detailed. That detail can help a company to better make financial decisions.

حساب التدفق النقدي: الطريقة المباشرة

يضيف قسم المحاسبة في الشركة جميع المدفوعات والإيصالات.

هذه هي الطريقة الموصى بها عالمياً لحساب التدفق النقدي لأن النفقات والإيرادات مفصلة للغاية. يمكن أن تساعد هذه التفاصيل الشركة على اتخاذ قرارات مالية أفضل.

Cash flow calculation: indirect method

The accounting department takes net income and then makes adjustments to remove costs related to non-operating activities.

حساب التدفق النقدي: طريقة غير مباشرة

يأخذ قسم المحاسبة صافي الدخل ثم يقوم بإجراء تعديلات لإزالة التكاليف المتعلقة بالأنشطة غير التشغيلية.

Direct Method:

Operating Activities	
Cash received from customers	\$800
Cash paid to suppliers	(150)
Employee compensations	(200)
Other operating expenses paid	(250)
Net cash from operating activities	200
Investing Activities	
Sale of land	200
Purchase of equipment	(300)
Net cash from investing activities	(100)
Financing Activities	
Common share dividends	(200)
Payment on long-term debt	(300)
Net cash from financing activities	(500)
Beginning Cash Balance	X
Ending Cash Balance	Y

Indirect Method:

Operating Activities	
Net Income	\$50,000
Add: Depreciation expense	\$10,000
Decrease in AR	\$2,000
Increase in inventory	\$3,000
Decrease in prepaid expense	\$4,000
Increase in accounts payable	\$5,000
Net Cash provided by operating activities	\$XXX
Investing Activities	
Sale of land	200
Purchase of equipment	(300)
Net cash from investing activities	(100)
Financing Activities	
Common share dividends	(200)
Payment on long-term debt	(300)
Net cash from financing activities	(500)
Beginning Cash Balance	X
Ending Cash Balance	Y

Cash Flow Statement

[USD \$ millions]

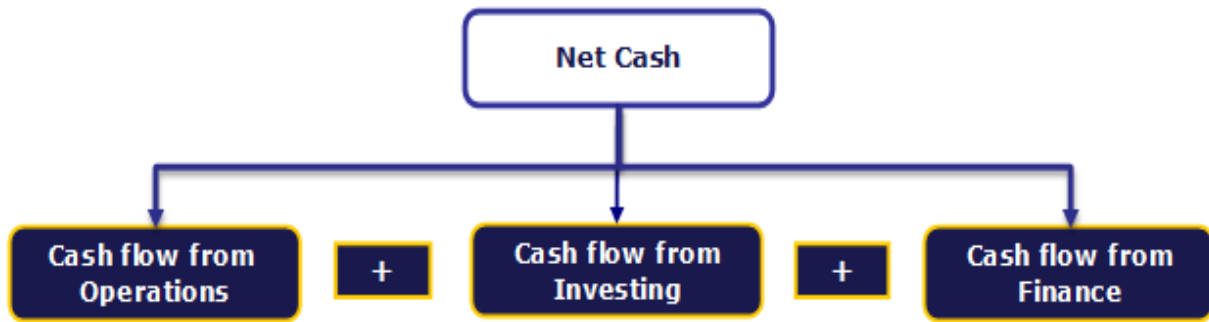
	2014	2015	2016	2017	2018
Operating Cash Flow					
Net Earnings	2,474	11,791	21,075	26,713	28,227
Plus: Depreciation & Amortization	19,500	18,150	17,205	16,544	16,080
Less: Changes in Working Capital	9,003	1,702	775	903	827
Cash from Operations	12,971	28,239	37,505	42,354	43,480
Investing Cash Flow					
Investments in Property & Equipment	15,000	15,000	15,000	15,000	15,000
Cash from Investing	15,000	15,000	15,000	15,000	15,000
Financing Cash Flow					
Issuance (repayment) of debt	-	-	(20,000)	-	-
Issuance (repayment) of equity	170,000	-	-	-	-
Cash from Financing	170,000	-	(20,000)	-	-
Net Increase (decrease) in Cash	167,971	13,239	2,505	27,354	28,480
Opening Cash Balance	-	167,971	181,210	183,715	211,069
Closing Cash Balance	167,971	181,210	183,715	211,069	239,550

The cash flow statement shows where a company receives its cash, and how it spends it. The operating profit is the profit that a company makes from its primary business activity.

Let's say Company ABC has just started a business and earned revenue of \$100 this year. And as per the record, their expenses are the \$60. Now in general terms, you would say Company ABC has made a = $\$(100 - 60) = \40 profit. However, in the case of Company ABC, it's seen that they have a revenue of \$100 this year, but they have collected the only \$80 this year and the remaining they will collect in the next year. In the case of expenses, they have only paid the US \$50 this year and the remaining in the next year. So if we calculate the net cash inflow this year, it would be $\$(80 - 50) = \30 . So, even if Company ABC has made a profit of \$40 this year, its net cash inflow is \$30. In Cash Flow Analysis, we will not only include the cash related to operations, but rather we will also include expenses and incomes from investing and financing activities.

يوضح بيان التدفق النقدي المكان الذي تتلقى فيه الشركة أموالها وكيف تنفقها. الربح التشغيلي هو الربح الذي تحققه الشركة من نشاطها التجاري الأساسي.

لنفترض أن شركة ABC قد بدأت للتو نشاطاً تجارياً وحققت إيرادات قدرها 100 دولار هذا العام. ووفقاً للسجل، فإن نفقاتهم هي 60 دولاراً. الآن بشكل عام، يمكنك القول أن شركة ABC حققت ربحاً = $\$(100 - 60) = \40 دولاراً. ومع ذلك، في حالة شركة ABC، فقد لوحظ أن لديهم عائداً قدره 100 دولار هذا العام، لكنهم جمعوا 80 دولاراً فقط هذا العام والباقي سيجمعونه في العام المقبل. في حالة النفقات، فقد دفعوا 50 دولاراً أمريكياً فقط هذا العام والباقي في العام التالي. لذلك إذا قمنا بحساب صافي التدفق النقدي هذا العام، فسيكون $\$(80 - 50) = \30 دولاراً. لذلك، حتى لو حققت شركة ABC ربحاً قدره 40 دولاراً هذا العام، فإن صافي التدفق النقدي الخاص بها هو 30 دولاراً. في تحليل التدفق النقدي، لن نقوم فقط بتضمين النقد المتعلق بالعمليات، بل سنقوم أيضاً بتضمين المصاريف والدخل من أنشطة الاستثمار والتمويل.



Cash Inflows:

- Generation of funds in normal operations

Cash Outflows:

- Expenditure of funds in normal operations

Cash Inflows:

- Sale of plants and equipments
- Liquidation of long term investments

Cash Outflows:

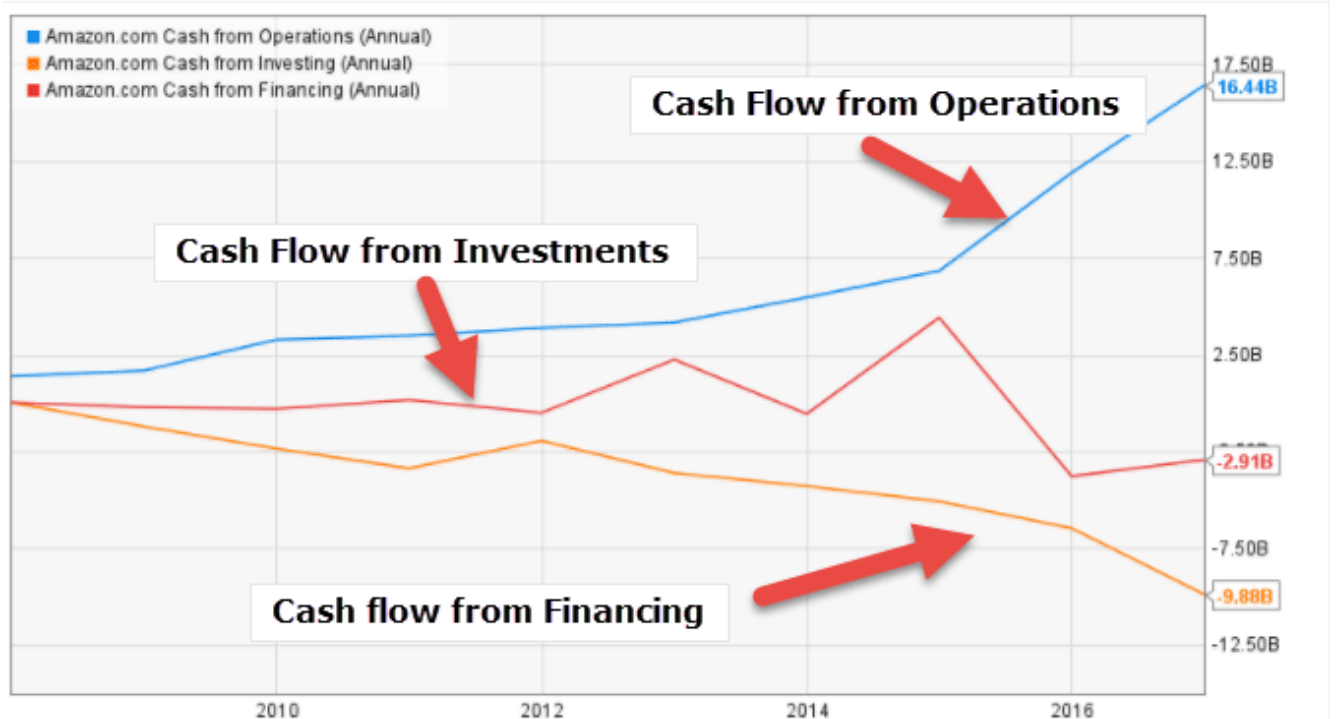
- Purchase of plants and equipments
- Investments in long term investments

Cash Inflows:

- Debt issuance, common stock, preferred stock and other securities

Cash Outflows:

- Retirement of debt, common stock and preferred stock
- Payment of cash dividend



P1: Knowing the following information for Big Tex's Rental and Service Company for the month ended September 30th 2019:

Net income	\$12,000
Notes payable	\$2,000
Depreciation	\$3,000
Account payable (increased)	\$1,000
Equipment	\$2,000
Account receivable (increased)	\$8,000
Inventory	\$7,000
Land sold	\$3,000

Required: prepare a cash flow statement.

Solution:

Cash flow statement	
Big Tex's Rental and Service Co.	
Month ended sep. 30 th 2019	
* Cash flow from operations	
Net income	\$ 12,000
+ Depreciation	\$ 3,000
+ Increase in acc. payable	\$ 1,000
- Increase in acc. receivable	(\$ 8,000)
- Increase in Inventory	(\$ 7,000)
Net cash from operations	\$ 1,000
* Cash flow from Investing	
purchase from equipment	(\$ 2,000)
Net flow from Investing	(\$ 2,000)
* Cash flow from financing	
notes payable	\$ 2,000
Sale of land	\$ 3,000
Net flow from financing	\$ 5,000
Net Cash flow for the month	\$ 4,000
ended sep. 30 th 2019	

* أي عملية شراء أو دفع مبروف ... يتسبب في نقص النقد في اليد
 * الزيادة في حساب المدينين أو نقصاً في الحسابات المدينة (لغير المدفوع الربون)
 * أي عملية بيع أو استلام مطالبات ... يتسبب في زيادة النقد في اليد
 * الزيادة في حساب الدائنين أو نقصاً في الحسابات المدينة (لغير المدفوع الربون)
 لم نستلم منها النقد (الدين)

P2: Knowing the following information for Barn Fam. company for the month ended Dec 31st 2010:

Cash receipt from customers	\$9,500
Income taxes	\$3,000
Proceeds from equipment sale	\$7,500
Cash paid to suppliers	\$2,000
Cash generated from operations	\$7,500
Dividend paid	\$2,500
Interest paid	\$2,000
Dividend received	\$3,000

Required: prepare a cash flow statement.

Solution:

Cash Flow Statement	
Barn Fam. Company	
Month ended Dec 31 st	
* Cash from operations	
Cash receipt from customers	\$9,500
- Cash paid to suppliers	(\$2,000)
+ Cash generated from operations	\$7,500
- Interest paid	(\$2,000)
- Income tax	(\$3,000)
Net Cash from operations	<u>\$10,000</u>
* Cash from Investing	
Proceeds from equipment sale	\$7,500
+ Dividends received	\$3,000
Net Cash from Investing	<u>\$10,500</u>
* Cash from financing	
- Dividends paid	(\$2,500)
Net Cash from financing	<u>(\$2,500)</u>
Net Cashflow for the month Dec. 31 st 2010	<u>\$18,000</u>

P3: From the following summary of Cash Account of X Ltd., prepare Cash Flow Statement for the year ended 31st March 2007 in accordance with AS-3 using the direct method. The company does not have any cash equivalents.

SUMMARY (CASH ACCOUNT) 31.3.2007

	Rs.		Rs.
To Balance b/d 1.4.2006	50	By Payment to Suppliers	2,000
To Equity Shares	300	By Purchase of Fixed Assets	200
To Receipt from Customers	2,800	By Overhead Expenses	200
To Sale of Fixed Assets	100	By Wages & Salaries	100
		By Taxation	250
		By Dividends	50
		By Repayment of Loan	300
		By Balance c/d (31.8.2007)	150
	3,250		3,250

SOLUTION :**CASH FLOW STATEMENT
for the year ended 31st March 2007**

	Rs. ('000)	Rs. ('000)
(A) <i>Cash Flows from Operating Activities:</i>		
Cash from customers	2,800	
Cash payment to Suppliers	(2,000)	
Cash paid for overhead expenses	(200)	
Cash paid for salaries	(100)	
Cash generated from Operations	500	
Income Tax paid	(250)	
Net Cash from Operating Activities		250
(B) <i>Cash Flows from Investing Activities:</i>		
Purchase of Fixed Assets	(200)	
Cash from Sale of Fixed Assets	100	
Net Cash used in Investing Activities:		(100)
(C) <i>Cash Flows from Financing Activities:</i>		
Issue of Equity Shares	300	
Repayment of Loan	(300)	
Payment of Dividends	(50)	
Net Cash used in Financing Activities		(50)
Net increase in Cash & Cash equivalent :		100
Cash and Cash equivalent (1.4.'06)		50
Cash and Cash equivalent (31.3.'07)		150

P4: Prepare Cash Flow Statement of Suryan Ltd. from the following:

Balance Sheets					
<i>Liabilities</i>	<i>1.1.06</i>	<i>31.12.06</i>	<i>Assets</i>	<i>1.1.06</i>	<i>31.12.06</i>
	<i>Rs.</i>	<i>Rs.</i>		<i>Rs.</i>	<i>Rs.</i>
Share Capital	1,00,000	4,00,000	Goodwill	–	20,000
8% Debentures	–	2,00,000	Machinery	1,25,000	4,75,000
Retained Earnings	60,000	90,000	Stock	20,000	80,000
Creditors	40,000	1,00,000	Debtors	30,000	1,00,000
Bills Payable	20,000	40,000	Cash at Bank	50,000	1,50,000
Provision for Tax	30,000	40,000	Cash in hand	25,000	45,000
	2,50,000	8,70,000		2,50,000	8,70,000

Additional Information:

- (a) During 2006, the business of a sole trader was purchased by issuing shares for Rs. 2, 00,000. The assets acquired from him were: Goodwill Rs. 20,000, Machinery Rs. 1, 00,000, Stock Rs. 50,000 and Debtors Rs. 30,000.
- (b) Provision for tax charged in 2006 was Rs. 35,000.
- (c) The debentures were issued at a premium of 5% which is included in the retained earnings.
- (d) Depreciation charged on machinery was Rs. 30,000.

SOLUTION :

**Cash Flows Statement of Suryan Ltd.,
for the year 2006**

<i>Particulars</i>	<i>Rs.</i>	<i>Rs.</i>
I Cash flows from Operating Activities :		
Profit before tax and extraordinary items	55,000 ¹	
Adjustments For :		
Depreciation on Machinery	30,000	
Operating Profit before Working Capital changes	85,000	
Increase in Creditors (1,00,000 – 40,000)	60,000	
Increase in Bills Payable (40,000 – 20,000)	20,000	
Increase in Stock (Excluding Stock bought by issue of shares (80,000 – 50,000 – 20,000))	(10,000)	
Increase in Debtors (Excluding debtors acquired by issue of shares (1,00,000 – 30,000 – 30,000))	(40,000)	
Cash Outflow from Operations	1,15,000	
Income Tax paid	(25,000) ²	
Net Cash from operating activities		90,000
II Cash flows from Investing Activities :		
Machinery Purchased for Cash	(2,80,000) ³	(2,80,000)
III Cash flows from Financing Activities :		
Cash Proceeds from issue of shares	1,00,000 ⁴	
Cash Proceeds from issue of debentures	2,10,000 ⁵	
Net Cash flows from Financing activities		3,10,000
Net Increase in Cash and Cash equivalents		1,20,000
Add : Cash and Cash equivalents at the beginning of the year		75,000
Cash and Cash equivalents at the end of the year		1,95,000



P1: The following information is related to Example Corporation for the year 2017 Dec 31st

Net Income	60,000
Notes receivable	1,000
Account payable (increased)	10,000
Purchased Equipment	5,000
Notes payable	7,500
Account receivable (decreased)	20,000
Purchased land	15,000
Depreciation decreased	20,000
Decrease in Inventory	30,000

Notes

- 1) Amounts represented above are in US dollars.**
- 2) Opening cash balance for the year is 100,000**

Required:

- 1) Prepare cash flow statement for the year 2017**
- 2) What is the net opening cash balance for the year 2018**

Solution

(1)

Cash flow statement

Example Corporation

December 31st 2017

operating activity

Net income	\$ 60,000
+ Account payable	\$ 10,000
+ Account Receivable	\$ 20,000
- Depreciation	(\$ 20,000)
+ Inventory	\$ 30,000

Total operating activities \$ 100,000

Investing activity

- Equipment	(\$ 5,000)
- Land	(\$ 15,000)

Total investing activity (\$ 20,000)

Financing activity

+ notes payable	\$ 7,500
- notes receivable	(\$ 1,000)

Total Financing activity \$ 6,500

Total Cash flow for the year \$ 86,500
+ Opening cash balance 100,000

Ending Cash balance for the year 2017 \$ 186,500

(2) opening cash balance for the year 2018 is
\$ 186,500

P2: Toshiba co. reported the following amounts for the year sep 30th 2010:

- 1. Net income 30,000**
- 2. Dividend paid 2,500**
- 3. Proceeds from sale of equipment 7,500**
- 4. Dividends received 3,000**
- 5. Capital expenditures 10,000**
- 6. Cash receipt from customers 9,500**
- 7. Cash paid to suppliers 2,000**
- 8. Income tax 3,000**
- 9. Interest paid 2,000**
- 10. Opening cash balance for the year is 1,000**

Prepare cash flow statement using direct method

Solution Cash flow statement
Toshiba Corporation
September 30th 2010

Operating Activity

Cash Receipt from customers	\$9,500
- Cash paid to suppliers	(\$2,000)
- Interest paid	(\$2,000)
- Income tax paid	(\$3,000)

Total operating activity \$2,500

Investing Activity

Proceeds from sale of equipment	\$7,500
+ Dividends received	\$3,000
- Capital expenditures	(\$10,000)

Total investing activity \$500

Financing Activity

- Dividends paid	(\$2,500)
------------------	-----------

Total financing activity (\$2,500)

Total Cash Flow	\$500
+ Opening cash balance	\$1,000
Ending cash balance	\$1,500

P3: The following is reported:

Net income	?
Depreciation	\$4,000
Capital expenditures	\$28,000
Proceeds from sale of land	\$7,000
Increased account receivable	\$6,000
Total operating activities	\$25,000
Decrease in inventory	\$9,000
Borrowing of long term debts	\$10,000
Dividends paid	\$5,000
Decrease in account payable	\$5,000
Purchase of treasury stock	\$8,000
Cash balance (beginning)	\$12,000

Required:

Prepare cash flow statement for Inc. corporation for the year ending Dec31st 2019.

Solution

Cash flow statement
Inc. Corporation
December 31st 2019

Operating Activity

Net Income	\$ 23,000
+ Depreciation	\$ 4,000
- Increase in acc. receivable (\$6,000)	
+ Decrease in inventory	\$ 9,000
- Decrease in acc. payable (\$5,000)	

Total operating activity \$ 25,000

Investing activity

- Capital Expenditures (\$28,000)	
+ Proceeds from sale of land \$7,000	

Total investing activity \$ 21,000

Financing activity

Borrowing from debts	\$ 10,000
- dividends paid	(\$5,000)
Purchase of stock	(\$8,000)

Total financing activity (\$3,000)

Total cash balance \$ 43,000
+ opening cash balance \$ 12,000

Cash balance \$ 55,000

$$\begin{aligned} \text{Net income} &= \text{T.O} - (\text{Dep.} + \text{Acc. receivable} + \text{inventory} \\ &+ \text{acc. payable}) \\ &= 25,000 - (4,000 + 6,000 + 9,000 + 5,000) \end{aligned}$$

P4: The Delta Company uses indirect method to prepare its statement of cash flows. The list of various activities performed by the company during the year 2014 is given below:

- 1. Purchase of treasury stock**
- 2. Purchase of available for sale investment**
- 3. Sale of equipment**
- 4. Increase in accounts payable**
- 5. Issuance of bonds**
- 6. Decrease in accounts payable**
- 7. Increase in inventory**
- 8. Loan from bank received**
- 9. Increase in accounts receivable**
- 10. Purchase of equipment on credit**
- 11. Purchase of land and building.**
- 12. Decrease in accounts receivable.**
- 13. Depreciation expense increased**
- 14. Payment of dividends.**
- 15. Issuance of stock for cash.**
- 16. Sale of land at a gain.**
- 17. Decrease in inventory.**
- 18. Depreciation expense decreased.**
- 19. Sale of land at book value.**

Required: Explain the effect of each activity on the statement of cash flows in the form of *Inflow* and *outflow* of the Delta Company for the year 2014.

Solution:-

- 1) Outflow
- 2) Outflow
- 3) Inflow
- 4) Inflow
- 5) Inflow
- 6) Outflow
- 7) Outflow
- 8) Inflow
- 9) Outflow
- 10) Outflow
- 11) Outflow
- 12) Inflow
- 13) Inflow
- 14) Outflow
- 15) Inflow
- 16) Inflow
- 17) Inflow
- 18) Outflow

[financial statement analysis]
2018 12 31

P1: Knowing the following information for Tex's Rental and Service Company for the month ended December 31st 2018:

- Net income \$12,000
- Notes payable (increased) \$2,000
- Cash paid to suppliers \$3,000
- Account payable (increased) \$1,000
- Equipment sold \$2,000
- Account receivable (increased) \$8,000
- Dividend received \$7,000
- Operating expense \$3,000
- Dividend paid \$1,000
- Opening cash balance \$20,000

Required:

1. Prepare a cash flow statement.
2. What is the net opening cash balance for the year 2018
3. What is the net opening cash balance for the year 2019

Solution P4:-

Cash flow statement Big Tex's Rental and Service Co. Month ended sep. 30th 2019

* Cash flow from operations

Net income	\$ 12,000
+ Depreciation	\$ 3,000
+ Increase in acc. payable	\$ 1,000
- Increase in acc. receivable	(\$ 8,000)
- Increase in Inventory	(\$ 7,000)

Net cash from operations \$ 1,000

* Cash flow from Investing purchase from equipment (\$ 2,000)

Net flow from Investing (\$ 2,000)

* Cash flow from financing notes payable \$ 2,000 Sale of land \$ 3,000

Net flow from financing \$ 5,000

Net Cashflow for the month
ended sep. 30th 2019 \$ 4,000

* أي عملية شراء أو دفع مدفوع... يتسبب في نقص النقد في اليد
* الذبارة في حساب المدفوعات تؤثر سلباً على النقد (نقص) أو يزداد (زيادة) النقد
* أي عملية بيع أو استلام مبالغ أو... يتسبب في زيادة النقد في اليد
* الزيادة في حساب المدفوعات تؤثر إيجاباً على النقد (نقص) لدينا لبعض
لم نستلم منها النقد الآن

P2: The Delta Company uses indirect method to prepare its statement of cash flows. The list of various activities performed by the company during the year 2014 is given below:

1. Purchase of treasury stock
2. Purchase of available for sale investment
3. Sale of equipment
4. Issuance of bonds
5. Decrease in accounts payable
6. Increase in inventory
7. Purchase of equipment on credit
8. Payment of dividends.
9. Issuance of stock for cash.
10. Sale of land at a gain.
11. Decrease in inventory.
12. Depreciation expense decreased.
13. Sale of land at book value.

Required: Explain the effect of each activity on the statement of cash flows in the form of *Inflow* and *outflow* of the Delta Company for the year 2014.

P3: Using the information given below related to Pro Forma you are required to:

Example: Pro Forma Income Statement

	Year 1	Year 2	Year 3
1 Sales	240,000	276,000	317,400
2 Cost of sales	<u>94,600</u>	<u>103,900</u>	<u>108,940</u>
3 Gross profit	145,400	172,100	208,460
Less: Operating Expenses			
4 Marketing expenses	18,000	18,900	19,845
5 Administrative expenses	96,000	100,800	105,840
6 Depreciation charges	7,200	7,200	7,200
7 Miscellaneous	<u>2,700</u>	<u>600</u>	<u>600</u>
	<u>123,900</u>	<u>127,500</u>	<u>133,485</u>
8 Operating income	<u>21,500</u>	<u>44,600</u>	<u>74,975</u>
Less: Financing expenses:			
9 Interest on term loan	4,500	3,600	2,700
10 Interest on hire-purchase	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>
	<u>6,100</u>	<u>5,200</u>	<u>4,300</u>
11 Net profit before tax	<u>15,400</u>	<u>39,400</u>	<u>70,675</u>

- 1) Prepare Vertical analysis for the year 1 \ year 2 \ and year 3
- 2) Prepare Horizontal analysis for the year 1 \ year 2 \ and year 3 to show the percentage of change
- 3) Prepare Horizontal analysis for the year 1 \ year 2 \ and year 3
- 4) Horizontal analysis for the year 1 \ year 2 \ and year 3 using (NPR \ GPR \ OPR)

Vertical analysis

(1)

Item	Year 1	Year 2	Year 3
1	100 %	100 %	100 %
2	39.416 %	37.64 %	34.322 %
3	60.583 %	62.35 %	65.677 %
4	7.5 %	6.847 %	6.252 %
5	40 %	36.52 %	33.345 %
6	3 %	2.608 %	2.268 %
7	1.125 %	0.217 %	0.189 %
8	8.958 %	16.159 %	23.62 %
9	1.875 %	1.3043 %	0.8506 %
10	0.667 %	0.579 %	0.504 %
11	2.541 %	1.884 %	1.3547 %
12	6.416 %	14.275 %	22.266 %

(2) percentage of change

Item	Year 1	Year 2	Year 3
1	0 %	15 %	15 %
2	0 %	9.83 %	4.85 %
3	0 %	18.363 %	21.127 %
4	0 %	5 %	5 %
5	0 %	5 %	5 %
6	0 %	0 %	0 %
7	0 %	-77.7 %	0 %
8	0 %	107.44 %	68.105 %
9	0 %	-20 %	-25 %
10	0 %	0 %	0 %
11	0 %	-14.75 %	-17.30 %
12	0 %	155.84 %	79.378 %

Year 1

10

Horizontal analysis:-

Item	Year 1	Year 2	Year 3
1	0	115%	115%
2	0	109.8%	104.85%
3	0	118.36%	121.12%
4	0	105%	105%
5	0	105%	105%
6	0	100%	100%
7	0	22.22%	100%
8	0	207.44%	168.10%
9	0	80%	75%
10	0	100%	100%
11	0	85.24%	82.69%
12	0	255.84%	179.378%

4) A) ALPA	Year 1	Year 2	Year 3
NPMR	6.416%	14.275%	22.26%
B) GPR	60.583%	62.35%	65.67%
C) OPR	8.958%	16.159%	23.62%

P4: Using the information given below related to Typical Business Inc. you are required to:

Typical Business, Inc.
Statement of Financial Condition
at December 31, 2008 and 2009
(Dollar amounts in thousands)

<u>Assets</u>	<u>2008</u>	<u>2009</u>
1 Cash	\$2,275	\$2,165
2 Accounts receivable	\$2,150	\$2,600
3 Inventory	\$2,725	\$3,450
4 Prepaid expenses	\$525	\$600
Current assets	<u>\$7,675</u>	<u>\$8,815</u>
5 Property, plant, and equipment	\$11,175	\$12,450
6 Accumulated depreciation	(\$5,640)	(\$6,415)
Net of depreciation	<u>\$5,535</u>	<u>\$6,035</u>
7 Total assets	<u>\$13,210</u>	<u>\$14,850</u>
<u>Liabilities and Owners' Equity</u>	<u>2008</u>	<u>2009</u>
8 Accounts payable	\$640	\$765
9 Accrued expenses payable	\$750	\$900
10 Income tax payable	\$90	\$115
11 Short-term notes payable	\$2,150	\$2,250
Current liabilities	<u>\$3,630</u>	<u>\$4,030</u>
12 Long-term notes payable	<u>\$3,850</u>	<u>\$4,000</u>
13 Owners' equity:		
14 Invested capital	\$3,100	\$3,250
14 Retained earnings	\$2,630	\$3,570
Total owners' equity	<u>\$5,730</u>	<u>\$6,820</u>
15 Total liabilities and owners' equity	<u>\$13,210</u>	<u>\$14,850</u>

1) Prepare Vertical analysis for the year 2008 \ year 2009

2) Prepare Horizontal analysis for the year 2008 \ year 2009 to show the percentage of change

3) Prepare Horizontal analysis for the year 2008 \ year 2009

Financial analysis :-

(4)

Assets	2008	2009
	17.22%	14.579%
Acc. receivable	16.275%	17.508%
Inventory	20.628%	23.23%
prepaid exp.	3.974%	4.040%
property plant and equipment	84.59%	83.83%
Accu. depreciation	-42.69%	-43.19%
Total assets	100%	100%
Liabilities and Equity	2008	2009
Acc. payable	4.844%	5.1515%
Accrued exp. payable	5.677%	6.060%
Income tax payable	0.6813%	0.7744%
short-term notes payable	16.275%	15.1515%
long-term notes payable	27.479%	26.936%
Invested capital	23.46%	21.885%
Retained earnings	19.909%	24.04%
Total liabilities and equity	100%	100%

~~Vertical~~
Horizontal

analysis: (percentage of change)

5

Item	2008	2009
Cash	0	-4.835%
Acc. receivable	0	20.93%
Inventory	0	26.605%
prepaid exp.	0	14.285%
property plant and equipment	0	11.409%
Acc. depreciation	0	13.74%
Total Assets	0	19.41%
Acc. payable	0	19.531%
Accrued exp. payable	0	20%
Income tax payable	0	27.77%
Invested capital	0	4.838%
Retained earnings	0	35.7414%
Short-term notes payable	0	4.651%
Long-term = =	0	3.896%
Total liabilities and equity	0	12.41%

Vertical analysis :-

3) Horizontal analysis

(6)

Assets	2008	2009
	0	95.16%
Receivable	0	120.93%
Inventory	0	126.605%
Prepaid exp.	0	114.285%
Property plant and equipment	0	111.409%
Acc. depreciation	0	113.74%
Total assets	0	112.41%
Liabilities and Equity	2008	2009
Acc. payable	0	119.531%
Unpaid exp. payable	0	120%
Income tax payable	0	127.77%
Short-term notes payable	0	104.65%
Long-term notes payable	0	103.896%
Retained capital	0	104.838%
Retained earnings	0	135.7414%
Total liabilities and equity	0	112.41%



Contents

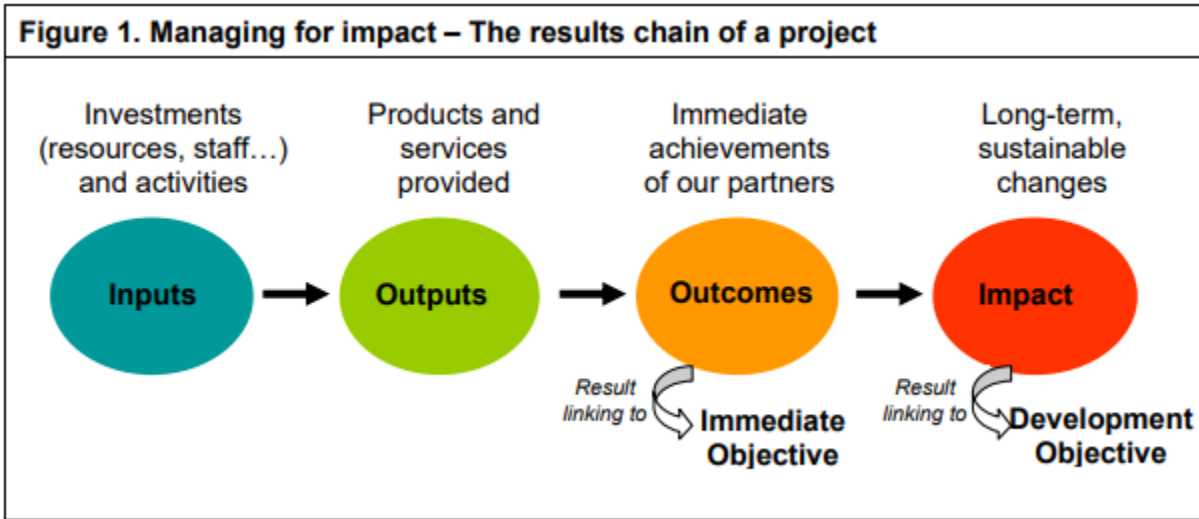
1. Project evaluation \ predict failure
2. Investment policies
3. Profitability ratios
4. Liquidity ratios
5. Solvency ratios

➤ EVALUATION AS PART OF MANAGING FOR IMPACT

Design, monitoring and evaluation are all part of results-based project management. The key idea underlying project cycle management, and specifically monitoring and evaluation, is to help those responsible for managing the resources and activities of a project to enhance development results along a continuum, from short-term to long-term. Managing for impact means steering project interventions towards sustainable, longer-term impact along a plausibly linked chain of results: inputs produce outputs that engender outcomes that contribute to impact.

التقييم كجزء من الإدارة من أجل التأثير

يعد التصميم والمراقبة والتقييم جزءًا من إدارة المشروع القائمة على النتائج. الفكرة الأساسية الكامنة وراء إدارة دورة المشروع ، وعلى وجه التحديد الرصد والتقييم ، هي مساعدة المسؤولين عن إدارة موارد وأنشطة المشروع لتعزيز نتائج التنمية على طول سلسلة متصلة ، من المدى القصير إلى المدى الطويل. تعني الإدارة من أجل التأثير توجيه تدخلات المشروع نحو تأثير مستدام طويل الأجل على طول سلسلة نتائج مرتبطة بشكل معقول: تنتج المدخلات مخرجات تنتج نتائج تساهم في التأثير



How to perform project analysis

- Understand the project design
- Gather and analyze relevant information to make good decisions
- Facilitate learning amongst all the partners
- Negotiate required changes.

كيفية إجراء تحليل المشروع

- فهم تصميم المشروع
- جمع وتحليل المعلومات ذات الصلة لاتخاذ قرارات جيدة
- تسهيل التعلم بين جميع الشركاء
- التفاوض بشأن التغييرات المطلوبة

Project evaluation: focusing on outputs and outcomes. They are a form of self-evaluation during which the stakeholders reflect upon how well the project is progressing towards achieving its objectives

تقييم المشروع: التركيز على المخرجات والنتائج. إنها شكل من أشكال التقييم الذاتي حيث يفكر أصحاب المصلحة في مدى تقدم المشروع نحو تحقيق أهدافه

Reasons to perform project evaluation

- Improve performance
- Focus on results
- Providing stakeholders with the information
- Providing early warning

أسباب إجراء تقييم المشروع

- تحسين الأداء
- التركيز على النتائج
- تزويد أصحاب المصلحة بالمعلومات
- توفير الإنذار المبكر

➤ **INVESTMENT POLICIES**

An investment policy is any government regulation or law that encourages or discourages foreign investment in the local economy, e.g. currency exchange limits

سياسات الاستثمار

سياسة الاستثمار هي أي لائحة أو قانون حكومي يشجع أو يثبط الاستثمار الأجنبي في الاقتصاد المحلي ، على سبيل المثال حدود صرف العملات

Investment policy relates to a country's laws, regulations and practices that directly enable or discourage investment and that enhance the public benefit from investment. It covers, for instance, policies for transparent and non-discriminatory treatment of investors, expropriation and compensation laws and dispute settlement practices.

تتعلق سياسة الاستثمار بقوانين الدولة ولوائحها وممارساتها التي تمكن أو تثبط الاستثمار بشكل مباشر وتعزز المنفعة العامة من الاستثمار. وهو يغطي ، على سبيل المثال ، سياسات المعاملة الشفافة وغير التمييزية للمستثمرين ، وقوانين نزع الملكية والتعويض وممارسات تسوية المنازعات.

The quality of a country's investment policies directly influences the decisions of investors, be they small or large, domestic or foreign. Transparency, property protection and non-discrimination are core investment policy principles that underpin efforts to create a quality investment environment for all.

تؤثر جودة سياسات الاستثمار في أي بلد بشكل مباشر على قرارات المستثمرين ، سواء كانوا صغارًا أو كبارًا ، محليين أو أجانب. الشفافية وحماية الملكية وعدم التمييز هي المبادئ الأساسية لسياسة الاستثمار التي تدعم الجهود المبذولة لخلق بيئة استثمارية جيدة للجميع.

There are five basic investment considerations:

Consistency : This particularly refers to the income which comes from investment as it shall be consistent.

الاتساق: يشير هذا بشكل خاص إلى الدخل الذي يأتي من الاستثمار لأنه يجب أن يكون ثابتًا.

Simplicity : The investment shall not be complicated in nature and shall be based on simple calculations and understandings.

البساطة: يجب ألا يكون الاستثمار معقدًا بطبيعته ، ويجب أن يقوم على حسابات وتفاهات بسيطة.

Risk Return relationship : This basically demonstrates that the relationship in between the risk associated with investment and that of return shall be identified and measured properly.

علاقة عائد المخاطر: يوضح هذا بشكل أساسي أن العلاقة بين المخاطر المرتبطة بالاستثمار والعائد يجب تحديدها وقياسها بشكل صحيح.

Investment objectives: These play a major role, as an investor one shall clearly identify why he wants to invest and what he wants to invest, before investing.

أهداف الاستثمار: تلعب هذه الأهداف دورًا رئيسيًا ، حيث يجب على المستثمر أن يحدد بوضوح سبب رغبته في الاستثمار وما الذي يريد استثماره ، قبل الاستثمار.

Diversification : Does the investment provide for diversification meaning variety of investments as sub parts of major investment.

التنوع: هل ينص الاستثمار على التنوع بمعنى تنوع الاستثمارات كأجزاء فرعية من الاستثمار الرئيسي.

Why Develop an Investment Policy?

Every city and county that invests its excess funds has an investment policy, but some are more formal and well-developed than others. Even if your jurisdiction has not developed and adopted a *written* policy, it still has an ad hoc policy resulting from the individual investment decisions made in the past.

لماذا تطوير سياسة الاستثمار؟

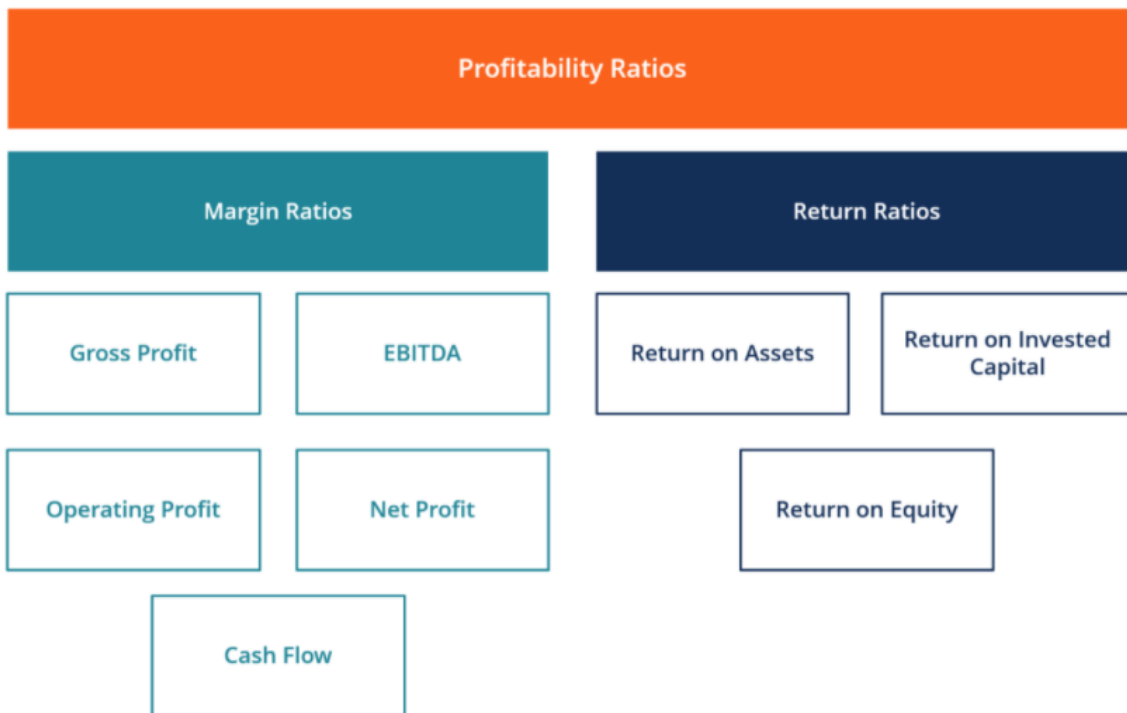
كل مدينة ومقاطعة تستثمر أموالها الزائدة لديها سياسة استثمار ، ولكن بعضها أكثر رسمية ومتطورة من غيرها. حتى إذا لم تقم السلطة القضائية الخاصة بك بتطوير وتبني سياسة مكتوبة ، فلا يزال لديها سياسة مخصصة ناتجة عن قرارات الاستثمار الفردية التي تم اتخاذها في الماضي.

➤ PROFITABILITY RATIOS

Profitability ratios are financial metrics used by analysts and investors to measure and evaluate the ability of a company to generate income (profit)

نسب الربحية

نسب الربحية هي مقاييس مالية يستخدمها المحللون والمستثمرون لقياس وتقييم قدرة الشركة على توليد الدخل (الربح)



Gross Profit margin = Gross Profit / Total revenue x 100

Net Profit margin = Net Profit / Total revenue x 100

Operating profit margin = Operating profit / Total revenue x 100

Cash flow margin = Cash flows from operating activities / Net sales x 100

Return on assets ROA = Net income / Total assets

Return on equity (ROE) = Net income / Total equity

➤ SOLVENCY RATIOS

A solvency ratio is a key metric used to measure an enterprise's ability to meet its long-term debt obligations

نسب الملاءة

نسبة الملاءة هي مقياس رئيسي يستخدم لقياس قدرة المؤسسة على الوفاء بالتزامات ديونها طويلة الأجل

Debt-to-assets ratio = Total debt / Total assets

Interest coverage ratio = Earnings before interest and taxes (EBIT) / Interest expense

Equity ratio = Shareholder equity / Total assets

Debt-to-equity ratio = Total liabilities / Total shareholder equity

➤ **LIQUIDITY RATIOS**

Liquidity ratios are the ratios that measure the ability of a company to meet its short term debt obligations.

نسب السيولة

نسب السيولة هي النسب التي تقيس قدرة الشركة على الوفاء بالتزامات ديونها قصيرة الأجل.

Current ratio = current assets / current liabilities

Quick ratio = (Current Assets - Inventories) / Current Liabilities

Cash ratio = Cash and cash equivalents / Current Liabilities