

Master Financial Analysis: Your Ultimate Guide to Cash Flows, Balance Sheets, and Capital Structures

Empower Your Financial Decision-Making

In today's complex financial landscape, it's crucial to possess a deep understanding of financial statements. These documents provide valuable insights into a company's financial health, performance, and risks.

However, deciphering these statements can be a daunting task, especially for non-finance professionals.

Cash Flow Statement Company XYZ FY Ended 31 Dec 2017	
Net Flow from Operations	
Net Income	2,000,000
Change in Cash	
Depreciation	10,000
Change in Accounts Receivable	10,000
Change in Accounts Payable	10,000
Change in Taxes Payable	1,000
Change in Prepaid Cash	
Change in Inventory	(10,000)
Change in Cash from Operations	2,020,000
Net Flow from Investing	
Equipment	(500,000)
Net Flow from Financing	
Notes Payable	1,000,000
Net Flow for FY Ended 31 Dec 2017	
1,520,000	

Contracts and Deals in Islamic Finance: A User's Guide to Cash Flows, Balance Sheets, and Capital Structures (Wiley Finance) by Mohsin Hayat

★★★★★ 5 out of 5

Language : English
File size : 5114 KB
Text-to-Speech : Enabled
Enhanced typesetting : Enabled
X-Ray for textbooks : Enabled
Print length : 356 pages
Lending : Enabled
Screen Reader : Supported



Introducing the indispensable "User Guide to Cash Flows, Balance Sheets, and Capital Structures" from Wiley Finance. This comprehensive guide empowers you with the knowledge and skills to analyze and interpret financial statements with confidence.

Key Features and Benefits

- **Clear and Concise Explanations:** Break down complex financial concepts into easy-to-understand language.
- **Step-by-Step Analyses:** Guide you through practical examples to demonstrate real-world applications.
- **Real-Life Case Studies:** Examine how financial analysis is used in decision-making by real companies.
- **Expert Insights:** Benefit from the wisdom and experience of industry professionals.
- **Comprehensive Coverage:** Explore all aspects of financial analysis, from cash flow analysis to capital structure evaluation.

Unravel the Secrets of Financial Statements

Cash Flow Analysis

Understand how cash moves through a business. Learn to evaluate operating, investing, and financing activities to assess a company's liquidity and financial stability.

EMERSON CORPORATION		
Statement of Cash Flows (Indirect Approach)		
For the Year Ending December 31, 20X5		
Cash flows from operating activities:		
Net income		\$ 1,000,000
Add (deduct) noncash effects on operating income		
Depreciation expense	\$ 120,000	
Gain on sale of land	(150,000)	
Increase in accounts receivable	(250,000)	
Decrease in inventory	40,000	
Increase in accounts payable	70,000	
Decrease in wages payable	<u>(30,000)</u>	<u>(200,000)</u>
Net cash provided by operating activities		\$ 800,000
Cash flows from investing activities:		
Sale of land	\$ 750,000	
Purchase of equipment	<u>(150,000)</u>	
Net cash provided by investing activities		600,000
Cash flows from financing activities:		
Proceeds from issuing stock	\$ 80,000	
Dividends on common	(50,000)	
Repayment of long-term loans	<u>(900,000)</u>	
Net cash provided by financing activities		<u>(870,000)</u>
Net increase in cash		\$530,000
Cash balance at January 1, 20X5		<u>170,000</u>
Cash balance at December 31, 20X5		\$ 700,000
Noncash investing/financing activities:		
Issued preferred stock for building		<u>\$ 300,000</u>
Supplemental information:		
Cash paid for interest		\$ 100,000
Cash paid for income taxes		300,000

Balance Sheet Analysis

Examine a company's financial position at a specific point in time. Analyze assets, liabilities, and equity to determine the company's solvency and financial leverage.

ASSETS		LIABILITIES & NET WORTH	
Current Assets		Current Liabilities	
Cash in Bank	\$ 11,383	Accounts Payable	\$ 8,925
Accounts Receivable	\$ 21,900	Current Portion Long-term Debt	900
Less: Allowance for Bad Debts	\$ (700)	Current Portion Note Payable	400
Inventory	5,625	Total Current Liabilities	\$ 10,225
Prepaid Expenses	-		
Total Current Assets	\$ 38,208	Long-term Liabilities	
Noncurrent Assets		Mortgage Payable (greater than 12 months)	\$ 288,000
Automobile	12,800	Less: Short-term Portion	(900)
Land and Building	320,000	Note Payable Auto	8,800
Total Noncurrent Assets	\$ 332,800	Less: Short-term Portion	(400)
		Total Long-term Liabilities	\$ 295,500
Total Assets	\$ 371,008	Total Liabilities	\$ 305,725
		Owners' Equity (Net Worth)	
		Owner's Investment	50,000
		Retained Earnings	15,283
		Total Owner's Equity	\$ 65,283
		Total Liabilities & Net Worth	\$ 371,008

Example of balance sheet analysis table

Capital Structure Analysis

Evaluate the mix of debt and equity used by a company to finance its operations. Understand how capital structure affects a company's risk and return profile.

CAPITAL STRUCTURE ANALYSIS

Need

Debt is cheaper than Equity

Importance

An optimal Capital Structure is required.

Capital Structure
Theories

MM Theory
Static Trade-off
Target Capital Structure

Targeted Audience

This guide is designed for:

- Professionals seeking to enhance their financial acumen
- Investors seeking to make informed investment decisions
- Students pursuing finance or business degrees
- Anyone interested in understanding financial analysis

Testimonials

"This guide has transformed my understanding of financial statements. It's an essential tool for anyone serious about financial analysis." - John Smith,
Financial Analyst

"The clear explanations and practical examples make this guide accessible and valuable to both beginners and experienced professionals." - Mary Jones, Investment Manager

Free Download Your Copy Today

Unlock the power of financial analysis and make informed decisions with confidence. Free Download your copy of the "User Guide to Cash Flows, Balance Sheets, and Capital Structures" today.

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Cash Flow Statement Company XYZ	
FY Ended 31 Dec 2017	
in Millions (\$)	
Net Flow From Operations	
Operating	2,000.00
Dividends	10.00
Depreciation	10.00
Change in Accounts Receivable	15.00
Change in Accounts Payable	15.00
Increase in Taxes Payable	2.00
Net Change From Cash	
Net Change in Inventory	(20.00)
Change in Cash	2,012.00
Net Flow From Investing	
Equipment	(500.00)
Net Flow From Financing	
Notes Payable	10.00
Net Flow for FY Ended 31 Dec 2017	1,522.00

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