

Financial Statements of an Company as an Information Base for Decision Making in the Investment

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Abstract: *This paper's primary objective is to determine, forecast, and assess future economic conditions and firm performance. This study's other objective is to assess the financial statement and provide information for financial managers to make informed company decisions. The financial statement employs the necessary tools, strategies, and procedures for company analysis. It is a diagnostic tool for analysing funding, investment, and operational operations, as well as an evaluation tool for management decisions and other business decisions. The analysis of financial accounts, or the study of financial reports, is utilised by managers, shareholders, investors, and any other parties interested in the status of a business. Managers use financial reports to assess the status of the firm and to give shareholders with information regarding the adequacy of the company's investments. For potential investors, the study of the company's financial statements is crucial, since they must first determine the company's true condition before deciding whether to invest.*

Keywords: Financial analysis, financial reports, balance sheet, decision-making, profitability, and liquidity.