

Overview on Implications of Financial Statements in a Business Firm

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Abstract: *The main aim of this study is to ascertain, predict, and evaluate future economic conditions and the performance of firms. The additional aim of this study is to evaluate the financial statement and furnish financial managers with data to facilitate educated decision-making for the organization. The financial statement utilizes essential tools, techniques, and procedures for doing corporate analysis. It is a diagnostic tool used to analyze funding, investment, and operational activities. Additionally, it serves as an evaluation tool for management decisions and other company choices. Financial account analysis, also known as the examination of financial reports, is employed by managers, shareholders, investors, and other interested parties to assess the condition of a corporation. Managers utilize financial reports to evaluate the firm's condition and provide shareholders with information regarding the sufficiency of the company's investments. For prospective investors, analyzing the company's financial statements is essential as they need to ascertain the company's actual state before making an investment decision*

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