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“A STUDY AND PREPARATION OF FINANCIAL REPORTS” , WITH REFERENCE TO B- ACCURACY INFOTECH.

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ABSTRACT:

The preparation of financial reports in international business is a crucial aspect that demands careful consideration due to the complexities introduced by cross-border operations, diverse accounting standards, and currency fluctuations. This abstract provides an overview of key considerations and challenges faced by multinational corporations (MNCs) in the preparation of financial reports. The process begins with the selection of appropriate accounting standards, which can vary significantly across countries. MNCs must navigate between Generally Accepted Accounting Principles (GAAP), International Financial Reporting Standards (IFRS), and other local standards to ensure compliance and comparability. Currency translation poses another challenge, as MNCs operate in multiple countries with fluctuating exchange rates. Reporting financial results in a single currency requires the application of suitable translation methods, such as the current rate method or temporal method, to accurately reflect the economic reality. Moreover, the diverse regulatory environment adds complexity to the preparation process. MNCs must adhere to local regulations and disclosure requirements, which often differ across jurisdictions. Compliance with legal and tax obligations further complicates financial reporting for international businesses. Additionally, cultural differences and varying business practices influence financial reporting practices. Effective communication and collaboration across multicultural teams are essential to ensure consistency and accuracy in financial reporting. In conclusion, the preparation of financial reports in international business requires meticulous attention to detail, flexibility, and a deep understanding of accounting principles, regulatory requirements, and cultural nuances. Despite the challenges, adopting best practices and leveraging technology can facilitate the preparation of accurate and transparent financial reports, enabling MNCs to make informed decisions and enhance stakeholder confidence in their financial performance.

INTRODUCTION :

International business refers to commercial transactions that take place between two or more countries. It involves the exchange of goods, services, technology, and capital across national borders. This field requires an understanding of global markets, cultural differences, political factors, and international regulations.

International business refers to the economic activities of individuals and organizations that involve the exchange of goods, services, or resources across national borders. In today's interconnected world, businesses increasingly operate on a global scale to capitalize on opportunities in foreign markets, access resources, and mitigate risks.

Key aspects include:

- **Globalization:** The increasing interconnectedness of economies around the world, driven by advancements in technology, communication, and transportation.
- **Trade Agreements:** These are treaties between nations that facilitate trade by reducing tariffs, quotas, and other barriers. Examples include NAFTA (North American Free Trade Agreement) and the WTO (World Trade Organization).
- **International Markets:** Businesses expand internationally to access new markets, reduce costs through economies of scale, or take advantage of comparative advantages in labor or resources.

SCOPE OF ANALYSIS REPORT

OF INTERNATIONAL BUSINESS IN FINANCE

Certainly! An analysis report on international business in finance can cover a wide range of topics and aspects. Here are some areas you could consider including:

- **Market Analysis:** Assess the current state of international markets, including trends, opportunities, and challenges. Look at factors such as economic indicators, political stability, regulatory environment, and market size.

- **Risk Management:** Evaluate the various risks associated with international business, such as currency fluctuations, political instability, trade barriers, and legal issues. Propose strategies for mitigating these risks.

DEFINITION OF ANALYSIS REPORT OF INTERNATIONAL BUSINESS IN FINANCE

An analysis report of international business in finance typically entails an in-depth examination and evaluation of various financial aspects of a company's global operations. This report may include analyses of foreign exchange risks, market trends, international trade policies, regulatory environments, geopolitical factors, and financial performance across different regions. The goal is to provide insights into the financial health, opportunities, and challenges of conducting business on a global scale, aiding stakeholders in decision-making processes.

OBJECTIVES OF ANALYSIS REPORT OF INTERNATIONAL BUSINESS IN FINANCE

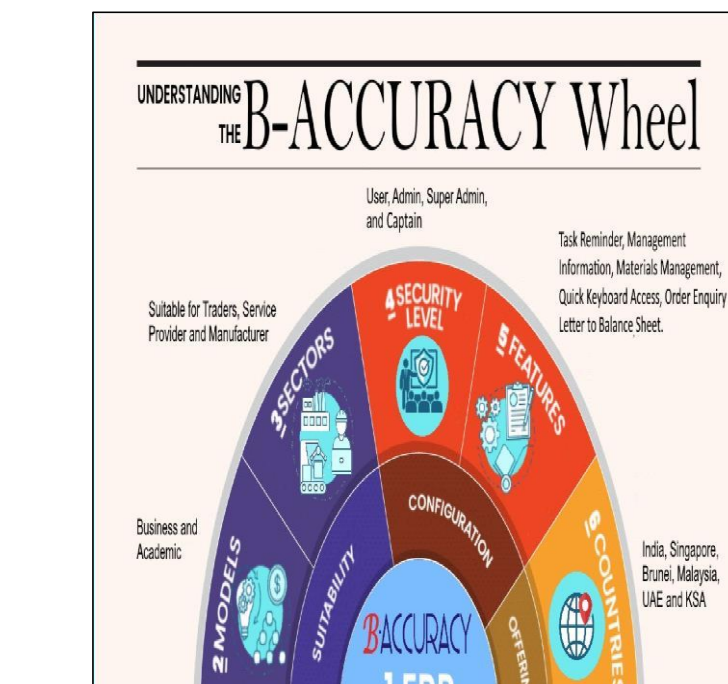
PRIMARY OBJECTIVES

- To Analyze the operating efficiency of the **B-ACCURACY INFOTECH**, Chennai.

SECONDARY OBJECTIVES

- To determine the Profitability & Liquidity of the company.
- To study the Barriers in Export and Import business.
- To identify the Export and Import of major goods.

COMPANY PROFILE



REVIEW OF LITERATURE

- **Ster Faia**, *Journal of Monetary Economics* 54 (4), 1018-1034, 2007 .Business cycles are more correlated among countries that have similar financial structures. We first document this empirical regularity using OECD data, and then build a two-country DSGE model with financial frictions that replicates it.
- **Jakob Müllner**, *Management Review Quarterly* 67 (2), 97-133, 2017 .This literature review analyzes the global phenomenon of international project finance (PF) as both a management and finance instrument, allowing practitioners to realize large scale infrastructure projects in high risk contexts.
- **John D Daniels, Lee H Radebaugh, Daniel P Sullivan Pearson, 2019** This book delves deeply into a host of subjects that you need to understand if you are to develop sophisticated real-world programs. Each topic is preceded by an introduction followed by more advanced topics, along with numerous examples, that take you to an advanced level.
- **Maurice D Levi, Dilip Das Routledge, 2007**In this updated fourth edition, author Maurice Levi successfully integrates both the micro and macro aspects of international finance. He successfully explores managerial issues and focuses on problems arising from financial trading relations between nations, whilst covering key topics such as: organization of foreign exchange markets

RESEARCH METHODOLOGY

Research methodology refers to the systematic process followed by researchers to conduct a study or investigation. It involves defining the research problem, formulating research questions or hypotheses, selecting appropriate research methods, collecting and analyzing data, and drawing conclusions. Common methodologies include qualitative, quantitative, and mixed methods approaches, each with its own techniques and procedures. The choice of methodology depends on the nature of the research question, the type of data needed, and the preferences of the researcher.

DATA ANALYSIS AND INTERPRETATION

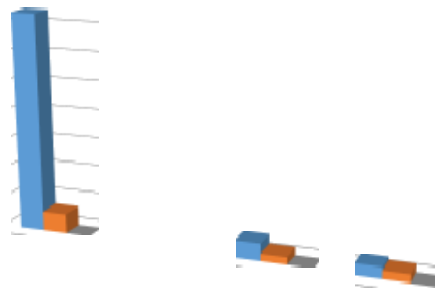
1.Current ratio

Current ratio = current assets/ current liabilities x 100

year	current assests	current liabilities	current ratio
2018-19	18931195	5797632	3.26%
2019-20	15061694	6650145	2.26%
2020-21	9638830	8040640	1.19%
2021-22	5938965	2564200	2.31%
2022-23	4209993	2802760	1.50%

The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or those due within one year. It tells investors and analysts how a company can maximize the current assets on its balance sheet to satisfy its current debt and other payables.

Current ratio



The current ratio explains about current assets and current liabilities the table below represents the increase in the year 2018-19 and 2021-22 which denotes dependence on long term sources of raising funds, in the year 2020-21 and 2022-23 there is gradual decrease of current ratio denotes liabilities are more used than assets.

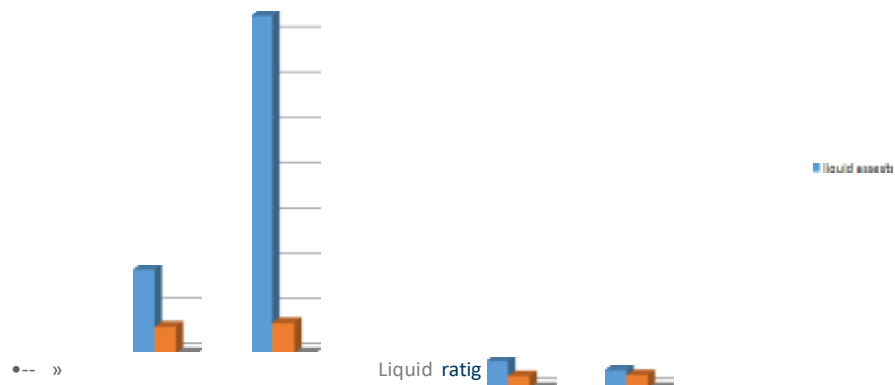
Liquid ratio

$$\text{Liquid ratio} = \frac{\text{Liquid asset}}{\text{Liquid liabilities}} \times 100$$

year	liquid assets	current liabilities	current ratio
2018-19	1829789*	5797632	3.15%
2019-20	74585842	6650145	11.21%
2020-21	9402220	8040640	1.16%
2021-22	5813545	2564200	2.26%
2022-23	3885473	2802760	1.38%

LIQUID RATIO

A liquid ratio is a type of financial ratio used to determine a company's ability to pay its short-term debt obligations. A ratio of one means that a company can exactly pay all its current liabilities with its current



INTERPRETATION:

The ratio which is in number table shows a good result of increase in the year 2018-19 that denotes the company maintain a better cash position and in the year 2020-21 and 2022-23 there is decrease which the current liabilities and inventories have to concentrate in the organization

3. Gross profit ratio

$$\text{Gross profit ratio} = \frac{\text{net profit}}{\text{net sales}} \times 100$$

year	gross profit	net sales	gross profit ratio
2018-19	3125797	94466423	3.30%
2019-20	636422	13249222	4.80%
2020-21	575495	19162921	3.00%
2021-22	391952	18442077	2.12%
2022-23	2854140	24904265	11.46%

GROSS PROFIT RATIO

Gross profit ratio is a profitability measure that is calculated as the ratio of Gross Profit (GP) to Net Sales and therefore shows how much profit the company generates after deducting its cost of revenues.

**INTERPRETATION:**

This ratio states that the year 2018-19 there is increase in shareholder proprietary or safety to creditors and the year of 2019-20 and 2020-21 the decrease denotes greater risk to the creditors. There is a fluctuation in year 2018-19 to 2021-22. In 2022-23 there is a increased rate of gross profit due to sales rate.

FINDINGS AND SUGGESTIONS:

- Current ratio represents the current liabilities increases in the year 2018-19 and 2021-22 in ratio of 3.26. It denotes dependence on long term sources of raising
- funds. In 2020-21 and 2022-23 gradual decrease in ratio 1.50 that denotes liabilities are used more.
- Liquid ratio increase in year 2018-19 in ratio of 3.15 denotes the company maintains better cash position but in 2022-23 there is decrease in ratio 1.35 which the inventories have to be concentrated in the organization
- In gross profit increase in the year 2018-19 there is shareholder proprietary or safety to creditors but 2020-21 and 2021-22 there is decrease that denotes greater risk to the creditors. so there is fluctuation in year 2018-19 to 2021-22 but 2022-23 increase in ratio 11.46

CONCLUSION

The preparation of financial reports for international business requires meticulous attention to accounting standards, cultural nuances, currency conversion, and compliance with regulatory frameworks across multiple jurisdictions. It's essential to ensure transparency, accuracy, and comparability to facilitate informed decision-making by stakeholders and foster trust in the global marketplace.

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ANNEXURE

BALANCE SHEET AND PROFIT AND LOSS OF LAST FIVE YEARS (2018-2023)

PROFIT AND LOSS FROM 2018 TO 2023 (FIVE YEARS)

PARTICULARS	2018-19	2019-20	2020-21	2021-22	2022-23
INCOME					
EXPORT SALES	94,451,792.00	8,620,372.00	10,626,350.00	16,905,425.00	24,728,725.00
IMPORT PRODUCT SALES		325,150.00			
LOCAL SALES	14,631.00	4,303,700.00	8,536,571.00	1,536,652.00	175,540.00
OTHER INCOME		2,504,401.00	2,056,879.00	2,556,500.00	275,645.00
	94,466,423.00	15,753,623.00	21,219,800.00	20,998,577.00	25,179,910.00
EXPENSES					
COST OF GOODS SOLD	91,339,626.00	12,612,800.00	18,587,426.00	18,050,125.00	22,050,125.00
MAN POWER COST	709,633.00	799,429.00	613,879.00	675,150.00	750,175.00
ADMINISTRATION EXPENSE	1,261,849.00	690,834.00	1,000,333.00	995,450.00	1,175,700.00
SELLING EXPENSES	371,105.00	314,850.00	175,375.00	180,250.00	280,250.00
DIRECTORS REMUNERATION	268,356.00	270,000.00	250,000.00	325,000.00	325,000.00
FINANCIAL CHARGES	835,742.00	440,045.00	108,123.00	125,150.00	175,650.00
DEPRECIATION	148,867.00	176,278.00	165,478.00	145,175.00	115,150.00
	94,935,178.00	15,304,236.00	20,900,564.00	20,496,300.00	24,872,050.00
NET PROFIT BEFORE	-468,755.00	449,387.00	319,236.00	502,277.00	307,860.00

PARTICULARS	2018-19		2019-20		2020-21		2021-22		2022-23	
SOURCES OF FUNDS:										
SHAREHOLDER'S FUND										
SHARE CAPITAL A/C.	620,392		626,535		632,452		640,452		640,452	
RESERVES & SURPLUS	7,346,230	7,966,622	5,566,892	6,193,427	1,576,351	2,208,803	2,478,628	3,119,080	2,854,128	3,494,58
OUTSIDERS FUND										
Secured Loan										
Unsecured Loan		6,007,394		3,245,240		3,277,022		3,277,022		3,277,02
Deferred Tax Liability		3,494		3,145		2,831		2,548		2,29
		13,977,510		9,441,812		5,488,656		6,398,650		6,773,89
APPLICATION OF FUNDS:										
FIXED ASSETS										
Gross Block	1,019,656		1,028,146		345,849		331,281		186,106	
Less: Depreciation	148,867		176,278		165,478		145,175		115,150	
Net Block		870,789		851,868		180,371		186,106		70,956
INVESTMENT		148,158		178,395		3,710,095		2,837,779		5,295,707
CURRENT ASSETS, LOANS & ADVANCES										
Cash & Bank Balance	2,356,199		1,425,752		3,257,176		1,024,750		830,208	
Sundry Debtors	14,801,093		12,149,194		5,380,849		3,888,300		2,154,520	
Advance tax & TDS	389,924		585,471		249,745		284,745		459,995	
Closing Stock	633,304		475,852		238,610		125,420		324,520	
Loans, Advances & Deposits	575,675		425,425		512,450		615,750		440,750	
	18,756,195		15,061,694		9,638,830		5,938,965		4,209,993	
Less: Current Liabilities & Pro	5,797,632		6,650,145		8,040,640		2,564,200		2,802,760	
Net Current Assets		13,977,510		9,441,812		5,488,656		6,398,650		6,773,896