

**“THE LEVEL OF PRACTICE OF FINANCIAL STATEMENT
ANALYSIS AND REPORTING IN DIFFERENT SCALE
INDUSTRIES”**



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ABSTRACT

This study investigates the level of practice of financial statement analysis and reporting in different scale industries in Trincomalee district.

Financial Analysis is the process of identifying the financial strengths and weaknesses of the firm by properly-establishing relationship between the items of the Balance Sheet and the Profit and Loss account. There are various methods or techniques are used in analyzing financial schedule of change in working capital flow, cost volume Profit Analysis and Ratio Analysis. This study concentrated on ratio analysis on financial statements. The principal objective of this research is to find out the level of practice of financial statement analysis by different type of industries by scale in Trincomalee district.

In this study research methodology selected 100 registered firms in Trincomalee districts through convenience sampling method. The questions specially addressed what extent they are using profitability analysis, efficiency analysis, and liquidity, solvency and growth analysis in their firm. This study found out that the small industries are using financial statement analysis at low level and medium industries are using at moderate level. Further it found out that the large industries are using at high level. There is a significance difference in using financial statement analysis in different scale industries.

Keywords: financial statement analysis, ratio analysis, profitability analysis, solvency analysis, efficiency analysis, liquidity analysis, growth analysis.

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