THE EVALUATION OF THE FINANCIAL POSITION ON THE BALANCE SHEET IN THE FURNITURE INDUSTRY

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ABSTRACT: The financial ratios provide in the economic and financial analysis very important synthesis information for analyzing a company, especially with regard to the financial position through the Balance Sheet analysis and to the performance in the multitude of existing issues, through the Profit and Loss Account analysis. In the context of the significant geo-strategic challenges of the XXI century, still marked by the imprint of the global financial crisis, the financial analysis can be a very useful tool in the complex process of making management decisions. The financial position of the company fairly represents the background of the entity, in terms of financial stability and less in terms of economic and financial performance. In this study, based on real financial data extracted from a major company from the furniture industry in Romania, we performed a dynamic analysis of a complex system of financial ratios, which can be calculated from the Balance Sheet. The paper is useful both for theoreticians and for practitioners, because the results position the company in the complexity of industry parameters, under the patrimonial structure of assets and liabilities and in terms of financial solvability.

Keywords: Balance Sheet analysis, financial position, financial ratios, the furniture industry.

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