

Estados financieros

Financial statements



Financial management refers to the efficient and effective management of money (funds) in such a manner as to accomplish the objectives of the organization. It is the specialized function directly associated with the top management. The significance of this function is not seen in the 'Line' but also in the capacity of 'Staff' in overall of a company. It has been defined differently by different experts in the field.



Self testing

Is your budget in control?

By the time you are in college, you are in charge of at least some of your own finances.

How well you manage your personal budget may indicate how well you will manage your company's budget.

Scoring and interpretation. YES responses to statements 2, 9, 10, 13, and 14 point to the most disciplined budgeting habits. YES responses to 4, 5, 7, and 14 reveal adequate budgeting habits . YES responses to 1, 3, 6, 8, and 12 indicate the poorest budgeting habits . If you have answered honestly, chances are you'll have a combination of all of three. Look to see where you can improve your budgeting.

Instructions. Respond to the following statements to evaluate your habits, in case, the statement doesn't apply directly to you, the respond the way you think you would behave in a similar situation.

	YES	NO
1. I spend all my money as soon as I get it.	_____	_____
2. At the beginning of each week (or month, or term), I write down all my fixed expenses.	_____	_____
3. I never seem to have any money left over at the end of the week (or month).	_____	_____
4. I pay all my expenses, but I never seem to have any money left over for fun.	_____	_____
5. I am not putting any money away in savings right now; I'll wait until after I graduate from college.	_____	_____
6. I can't pay all my bills.	_____	_____
7. I have a credit card, but I pay the balance in full each month.	_____	_____
8. I take cash advances on my credit card.	_____	_____
9. I know how much I can spend on eating out, movies, and other entertainment each week.	_____	_____
10. I pay cash for everything.	_____	_____
11. When I buy something, I look for value and determine the best buy.	_____	_____
12. I lend money to friends whenever they ask, even if it leaves me short of cash.	_____	_____
13. I never borrow money from friends.	_____	_____
14. I am putting aside money each month to save for something that I really need.	_____	_____

Financial Control (Daft, 2015)

Financial control is important to watch how well the organization is performing. Is not only tell whether the organizations is on sound financial footing but also be useful indicator of other kinds of performance problems.

Control is an important issue that faces every manager in every organization.



Financial statements

Financial statements provide the basic information used for financial control of an organization. Two major financial statements: balance sheet and income statement are the starting points for financial control.

The balance sheet shows the firm's financial position with respect to assets and liabilities **at a specific point in time**.

The income statement, sometimes called a profit and loss statement summarizes the firm's financial performance **for a given time interval**, usually one year

**New Creations Landscaping
Consolidated Balance Sheet
December 31, 2009**

Assets		Liabilities and Owners' Equity	
Current assets:		Current liabilities:	
Cash	\$ 25,000	Accounts payable	\$200,000
Accounts receivable	75,000	Accrued expenses	20,000
Inventory	<u>500,000</u>	Income taxes payable	<u>30,000</u>
Total current assets	\$ 600,000	Total current liabilities	\$ 250,000
Fixed assets:		Long-term liabilities:	
Land	250,000	Mortgages payable	350,000
Buildings and fixtures	1,000,000	Bonds outstanding	<u>250,000</u>
Less depreciation	<u>200,000</u>	Total long-term liabilities	\$ 600,000
Total fixed assets	1,050,000	Owners' equity:	
Total assets	<u>\$1,650,000</u>	Common stock	540,000
		Retained earnings	<u>260,000</u>
		Total owners' equity	800,000
		Total liabilities and net worth	<u>\$1,650,000</u>

Major financial statement

**New Creations Landscaping
Income Statement
For the Year Ended December 31, 2009**

Gross sales	\$3,100,000	
Less sales returns	<u>200,000</u>	
Net sales		\$2,900,000
Less expenses and cost of goods sold:	2,110,000	
Cost of goods sold	60,000	
Depreciation	200,000	
Sales expenses	<u>90,000</u>	
Administrative expenses		<u>2,460,000</u>
Operating profit		440,000
Other income		20,000
Gross income		460,000
Less interest expense	80,000	
Income before taxes		380,000
Less taxes	165,000	
Net income		<u>\$ 215,000</u>