



Finance for

Non

Finance





Thanks

Feedback

Timeline

Purpose



About

ڪڪهنا مؤمنين ني عادة هوئي ؛، اعتناء بهي هوئي ؛، برابر
 اعتناء سي خيال راکهسس امير المؤمنين فرماوسس ؛ - جو
 أم کرسسس تو ڪڪهنو خيال راکهسس، هر حيز ما اهنو
 مزاج {ايم هوئي، برابر اعتناء سي جمباوي نسس کرسس،
حساب بهي برابر، حوڪهو حساب هوئي، حل حلاؤ

نظبط اهنو اندر



WHAT ARE WE HERE FOR ?

To raise our level of financial awareness and enable ourselves to use the financial information we possess to make short-term or long-term decisions in managing our businesses.



WHAT WILL WE LEARN.....

1. Fundamentals of Financial Statements
2. Business Analysis
3. Cash Operating Cycle
4. Accounting V/s Costing
4. Budgeting and Taxation
6. Investment Appraisal Tools
7. Profit versus Cash
8. Warning Signals




 **Thanks**

Feedback

Timeline


1

AWARNESS




2


PRACTICE



3

IMPLEMENT



 **Purpose**

about




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Feedback



**SWOT
ANALYSIS**




**CASH OPERATING
CYCLE**



**PROFIT
v/s CASH**



WARNING SIGNS


Timeline
history
about



UNDERSTANDING FINANCIAL STATEMENTS

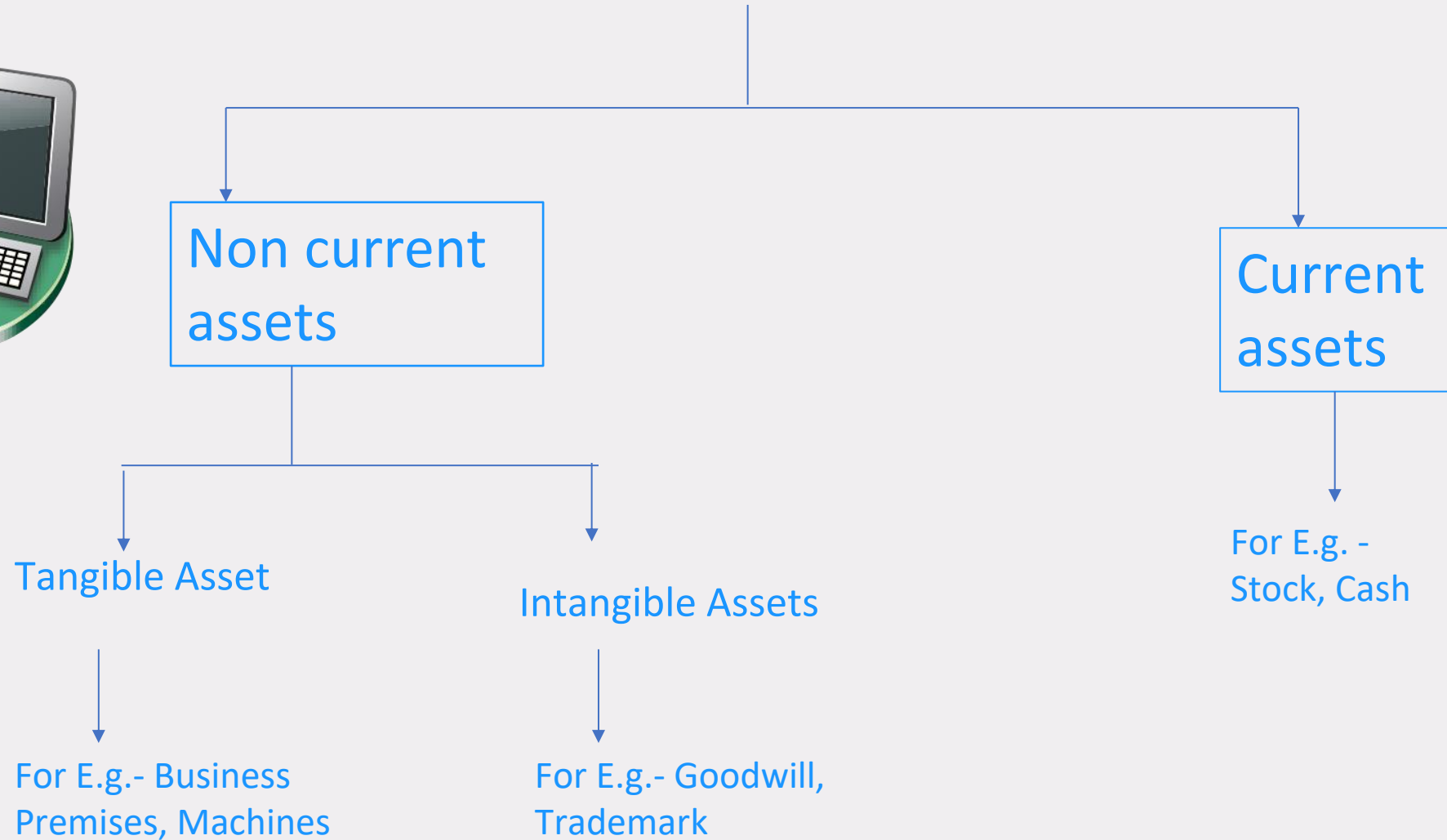


Asset



1. Own it
2. Generate Revenue

Type of Asset





1. Obligation

2. Legally Responsible

Example of Liabilities

1. Salary Payable
2. Expenses Payable
3. Qardan Hasana
4. Creditors



- 1. Owned**
- 2. Borrowed**
- 3. Current**
- 4. Non-Current**

Expenses

&

Income



1. Purchase of Goods

2. Salary

3. Freight

4. Penalty

5. Taxes



1. Sale of Goods

2. Rental Income

3. Misc Income

FORMAT OF BALANCE SHEET

Liability	Amount	Asset	Amount
Capital	2,00,000	Fixed Asset	1,30,000
Qardan Taken	50000	Investment	50,000
Current Liabilities	20000	Current Asset	50,000
Outstanding Expenses	5000	Cash & Bank	20,000
Accounts Payable	5000	Debtors	30,000
Total	2,80,000	Total	2,80,000

Cash Operating Cycle



The Term Cash Operating Cycle can be considered a length of time between purchase of raw-materials and collection of cash from debtors.

INDICATES THE EFFICIENCY OF MANAGING WORKING CAPITAL

The cash conversion cycle for a company is an interesting method to evaluate the efficiency of a company's operations.

Faster Conversion of cash cycle – Better

Credit – Shorter the better



Cash Operating Cycle





Days Sales Outstanding –

Accounts receivable divided by total credit sales multiplied by 365. This measures how quickly a company collects from its customers. The lower the number of days the better for a company's operations.

(Account Receivable/Total credit sales) x 365



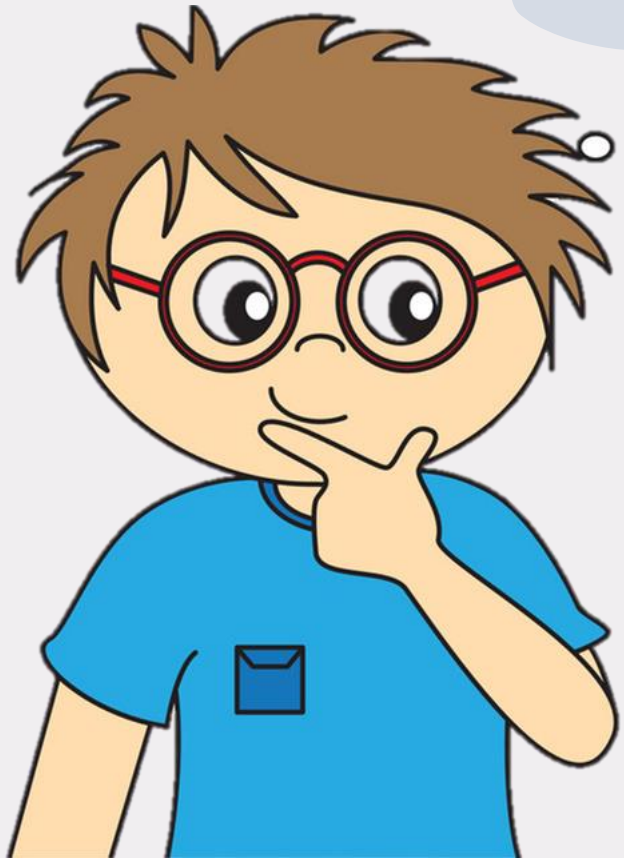
Days Payables Outstanding –

Accounts payable divided by cost of sales multiplied by 365. This measures how quickly a company pays its bills. In contrast to the first two measures, a company wants its days payable outstanding to be as high as possible.

(Accounts Payable/Cost of sales) x 365



S.W.O.T.



Businesses Die as a Result of these 3 Deadly Factors;

Negligence



Inexperience



Greed





	Helpful	Harmful
Internal	S Strengths	W Weaknesses
External	O Opportunities	T Threats

How to Conduct a SWOT Analysis for Your Small Business





Strengths

- Experience in the field which business growth is planned
- Better communication with customers
- Better skills to attract customers

Opportunities

- Better availability of the product in different area
- Can uplift other mumineen in upbringing their business

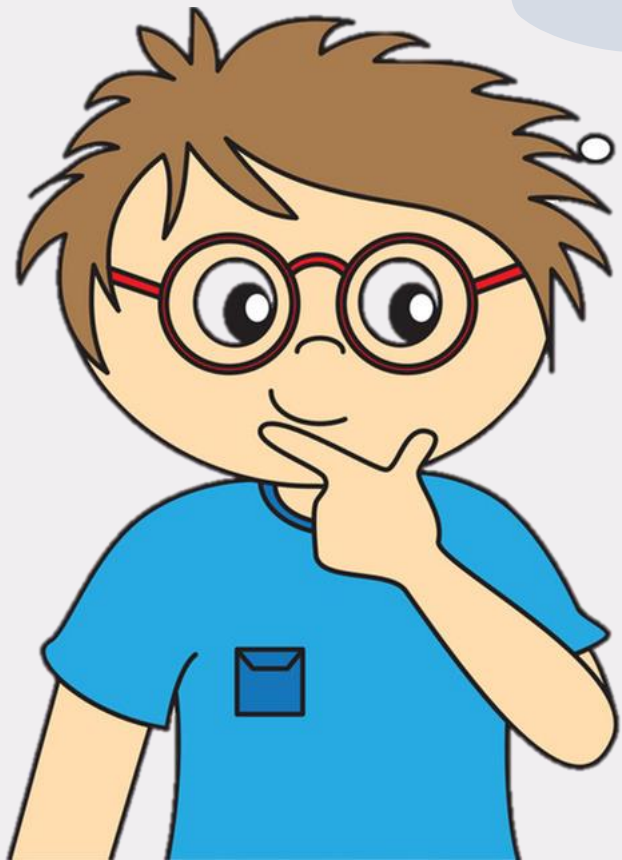
Weaknesses

- Lack of Funds to grow up business
- Lack of confidence to take Risk in existing business
- Lack of adaptability to market changes

Threats

- Presence of competitors in the area of the business
- Lack of computer awareness

S.W.O.T.



SELF ANALYSIS

PROFIT V/S CASH





Although **CASH** is critical, people think in **profits** instead of cash.

We all do.

When you imagine a new business, you think of what it would cost to make the product, what you could sell it for, and what the profits per unit might be. We are trained to think of business as sales minus costs and expenses, which is profits.

*However, **we don't spend the profits in a business. We spend cash.** Profitable companies go broke because they had all their money tied up in assets and couldn't pay their expenses. Working capital is critical to business health.*

Unfortunately, we don't see the cash implications as clearly as we should, which is one of the best reasons for proper business planning. We have to manage cash as well as profits.



Just the Facts

Let's take a look at basic definitions of cash and profit.

Cash (often synonymous with **revenue**) refers to the amount of money currently or soon-to-be available. It is the money coming into the organization either from investors or direct business activity and serves as the resource to pay expenses.

Profit is the amount of money left over after all expenses are paid.

Mathematically, profit is simply revenue minus expenses.



Just the Facts

If the amount of cash coming into the organization is the same as what is necessary to pay expenses, the business is **MERELY SURVIVING**; it is not making forward progress. If the amount of available cash is less than is necessary to pay all expenses, the business is **SUFFERING FROM A NET LOSS OF MONEY AND RISKS FAILURE**. For these reasons, it is important-- on average and over time-- for cash flow to be greater than the cost of expenses in order to thrive and expand.



Just the Facts

An analogy commonly used in business is that **CASH IS LIKE OXYGEN**: we need it constantly in order to survive. On the other hand, profit is like food: we can live without it for a short time, but to survive it must eventually be replenished. Along with this note, it is prudent to understand that a successful business needs both cash and profit to grow over time. Let's take a look at some subtle contexts.

WARNING





Negligence

Negligence is simply **not** paying adequate attention to your business.

Negligence is about being too busy '**working in**' your business that you forget the importance of '**working on**' it

Giving time elsewhere can Harm the business

Inexperience

Inexperience is not an excuse for failure. It is true that the best teacher is experience. But it doesn't always have to be your own experience.

The experience and expertise of others ahead of you in different areas of your business is fruitful

That's why smart entrepreneurs always surround themselves with mentors, consultants, coaches and other professionals generally smarter than them on specific areas of their business.

Taking Counselling & expert advise is a must

Greed

Any attempt to bite more than is ethically allowed will **kill your business** faster than the first two deadly factors, Don't look at other's make your own budgets

Your business will die if you *give customers less value than they pay for* – **greed**.

Your business will die if you *give your employees less than they contribute* – **greed**.

Your business will die if you think your *own needs* is far more important than the needs of others

greed

WARNING SIGNALS



NO DIFFERENTIATION –
Nothing New

LOW SALES

NO INNOVATION
– Nothing Unique

NO LEARNING AND
DEVELOPMENT



Inability to pay your
debts

NO POSITIVE WORD OF
MOUTH – referrals and
testimonials

POOR CASH FLOW
MANAGEMENT

NO POSITIVE WORD OF
MOUTH – REFERRALS AND
TESTIMONIALS



So here's the big question; how many referrals and testimonials has your business generated this year?



NO INNOVATION –
Nothing New



*So here's the big question; when was the last time
your business introduced something new
[product/service] into the market*



NO DIFFERENTIATION
– NOTHING UNIQUE

New and unique are never the same.

New ≠ Unique.

New = latest in town

Unique = different from others

For Eg:- Products, schemes, customer needs



So here's the big question; what's unique about your business in comparison to your industry peers?

NO LEARNING AND
DEVELOPMENT



So here's the big question; when was the last time you went out to learn something new?





 Thanks



ALAN MARTIN

CEO, COMPANY NAME

Here Write Brief Message
About Yourself



JHON DOE

CEO, COMPANY NAME


Here Write Brief Message
About Yourself



PABLO PICASO

CEO, COMPANY NAME

Here Write Brief Message
About Yourself

 Feedback

Timeline

Purpose

About

Thank
You



Thanks

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