

RATIO ANALYSIS:

TO STUDY THE STRENGTH AND WEAKNESSES  
OF DISTRICT DEVELOPMENT COOPERATIVE  
SABAK BERNAM BERHAD.

PROJECT PAPER SUBMITTED TO  
THE MARA INSTITUT OF TEKNOLOGY IN PARTIAL  
FULFILLMENT OF THE REQUIREMENT FOR THE  
ADVANCED DIPLOMA IN ACCOUNTANCY.

BY

NAME : BADRULHISHAM BIN KIMIN

STUDENT NO: '

DATE : 15 APRIL 1993

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## ACKNOWLEDGEMENTS.

In completing this project paper I has used all my effort and courage in making the work done. It is my hope that the project paper is presented in the best possible way.

I would like to take this opportunity to express my thanks to the staffs of the Sabak Bernam Development Co-operative for their full co-operation in making my work successful and my advisor who willing to help and supervised me in completing my project paper.

## ABSTRACT.

In this project paper I used several selected ratios and apply it to the financial report of the selected co-operative.

The explanation on the ratios is given in this project paper in term of formula used, what the meaning of the ratio and roughly what it indicates.

The writer also touched on the co-operative background, its activities and a little bit on performance based on the financial report, in order to give an idea to the readers on the selected study.

From the calculated ratios and its trend for the past ten years I analyzed and evaluate the co-operative performance. A further information gathered from reading on related material and also an interview.

Lastly through combining all the data, I will determine the co-operative strength and weaknesses of the past performance.

## CHAPTER I

### INTRODUCTION

Financial statements are the primary working tools of the financial manager. They reflect the position of the firm both in terms of financial worth and its operational successes. The two basic financial statements are the balance sheets and income statement.

However the financial statement of any firm will only reflect the simplified data of which not many user are able to interpret it correctly, especially those with less accounting background.

Thus, ratio analysis can be of a great help in assisting the user of financial statement to measure the strength and weaknesses of a firm .

Since the late 1800 ratio analysis has been the major tool used in the interpretation and evaluation in the financial statement.(Baruch Lev , Financial Statement Analysis, pg 11).

By using ratio analysis we are able to measure the effectiveness of the management of a business. We can also use ratio to analyze the appropriateness of a business's plan in generating future profit. This is being done with the assistance of the budgeted figures.