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A STUDY ON FINANCIAL PLANNING AND FORECASTING DIGITAL PRINTING SERVICE COMPANIES, BANGALORE

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1.ABSTRACT

Financial forecasting and planning are critical components of the strategic management process of every firm. This article delves into the methodical process of forecasting an organization's future financial performance and resource requirements.Financial planning and forecasting enable organizations to make informed decisions and manage resources efficiently by studying historical data, market trends, and economic indicators, and set realistic financial goals. This abstract contains a summary of the key elements.and significance of financial planning and forecasting, emphasizing their role in risk management, budgeting, investment decisions, and long-term business sustainability. Additionally, it touches on various methods and tools employed in financial forecasting, such as quantitative modelling, scenario analysis, and sensitivity analysis, in addition to the incorporation of data analytics and technology into modern financial planning processes. The abstract closes by emphasizing the significance of adaptation and continual refinement in financial planning in dealing with the changing dynamics of the work environment and navigating through unexpected difficulties and opportunities

2.INTRODUCTION

Financial forecasting and planning are assessments of the future worth of a variable or a combination of factors.The goal of is a forecasting exercise is often to help with future planning and decision-making. The estimation or projection of future corporate developments, like sales, expenses, and gains, is known as business forecasting. Because of the significant effects that broad changes in the economy may have on margins of profit, forecasting for business has evolved into one of among the most important aspects of business planning.

Forecasting is now used by businesses to anticipate developments in the economy and prepare to capitalize on or oppose them. With precise business estimates, proprietors and management can respond to a changing marketplace.Financial forecasting and planning g serve as a plan of action for the future that a company intends to take. As a result, planning across such a range tends to be somewhat aggregative.We must focus on common elements such as economics assumption and forecasts of sales, preliminary statements, asset demands, and disregarding the fact that there are substantial differences across organizations in terms of the extent, formality, and level of sophistication of financial planning, the technique of funding the investments remain consistent.
A financial plan, in general, could be a budget or a strategy for investing and spending money acquired in the future.This strategy allocates future earnings to a number of expenses, including utility bills and rent, while also setting aside funds to both short- and long-term saves. A plan of action can also be a method of investment that allocates cash to various assets or endeavours that are expected to provide revenue in the future, like a new business or line of products, stock in a current company, or property.

3.LITERATURE REVIEW

Khuntaweethep, W., &Koowattanatianchai, N. (2022) The basic hypothesis for the ARIMA-Common Size model, with statistical significance set at 0.05, was that the percentage of the financial statements' structure was the same in each quarter. The result is the ARIMA model could be utilized to forecast using the data (3,1,2). For each variable, the MFM-FP model beat the ARIMA-Common Size model during the estimate and ex-post periods. As a result, the MFM-FP model might be said to outperform the ARIMA-Common Size approach.**Allahyarov, R. (2022).**Because it is critical to compare statistics data from various countries that purchase and sell natural assets in the Caspian region, The comparative study strategy was selected. In addition, fundamental techniques like scenario planning and sensitivity analysis are employed to develop strategic predictions. In addition to the fundamental ideas that underpin the oil and oxygen industry today, there are some negative facts that restrict advancement. Over the last century, the positive trends in the Caspian oil industry have had a substantial impact on people's socioeconomic well-being.**Yost, E., Kizildag, M., & Ridderstaat, J. (2021).**Key survival strategies include cost recovery tactics like cash preservation by deferring capital investments and lowering marketing costs. To maintain financial competition throughout and after COVID-19, the memo revealed these crucial ways to remodel profit margins while exploiting each brand's unique qualities.**Narvaez, G., Giraldo, L. F., Bressan, M., & Pantoja, A. (2021).**We demonstrate the benefits of using the suggested approach based on deep learning and machine learning methods to combine information from various sources and create correct solar radiation predicting models for locations where renewable energy sources are required using a real-world study case.According to the findings, machine learning models outperformed traditional strategies for site adaptation by up to 38%.**Panos, G. A., & Wilson, J. O. (2020).**Financial technology (FinTech) is transforming the financial services industry at an unprecedented rate. Diverse people have different ideas about how FinTech will affect personal financial decisions, wellbeing, and societal welfare.Financial education and competent financial counselling are appropriate policy interventions that promote financial and general well-being in an era of rising debt from students, expanding (digital) economic mobility, and threats posed by incidents of (online) monetary fraud.This special issue contributes to this critical scholarly and policy discussion by publishing a selection of seven brand-new essays chosen from four ongoing research programs on fiscal responsibility. **Gilliland, M., Tashman, L., &Sglavo, U. (2021).** Digitalization has the potential to shake up the field of managerial accounting. It could have an impact on managerial accounting and control processes, the controller's role, as well as the company's digital environment and related business models. In order to explore these trends, this editorial.

4.RESEARCH METHODOLOGY

Secondary data: Information gathered from the Annual report. industries that could have been gathered and organized for other reasons. This information covers company financial statements and yearly reports. Several published publications and organization websites were also mentioned.

In research design, a statement of the problem is a succinct summary of the issue or gap that inspires the research1. It should explain why the study is significant, what it expects to achieve, and how it plans to tackle the problem.An issue description for financial planning and forecasting could focus on the firm or organization's budgeting, cash flow, profitability, growth, risk, or performance difficulties or opportunities.It may also indicate the variables or elements influencing financial outcomes, such as sales, expenses, inflation, interest rates, currency rates, laws, or competition.

For example, an appropriate problem statement for research on forecasting and financial planning for a small business may be:

The development and expansion of the country's economy are greatly influenced by the sector of small businesses. Many small businesses, on the other hand, struggle to handle their money effectively and efficiently. They typically lack the necessary information, instruments, and resources needed to prepare and predict their financial requirements and goals. Bad choices, cash flow issues, poor profitability, and a significant failure risk result from this. The purpose of this research is to investigate the best financial planning and forecasting tools and methods for small enterprises. It will also look into the elements affecting their long-term viability and financial success.

5.OBJECTIVES

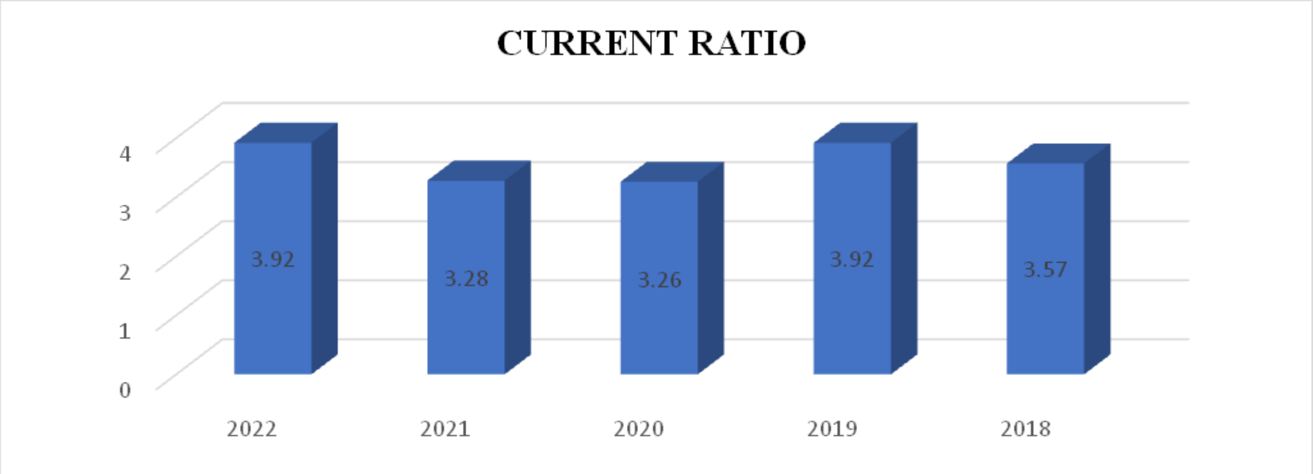
Determine the firm's capital requirements and funding sources.To determine the company's financial management goals, strategies, plans, and practices.Aligning financial drivers and key performance indicators with organizational goals and performance.Utilize appropriate financial analysis and planning tools and methodologies.Explain the inspiration and aim of your research project, in addition how it contributes to existing knowledge.
The primary goal of the is to comprehend financial data for the business situation. This pertains to the development of long-range strategic financial strategies that guide the development of immediate operational plans and spending plans, with a special focus on pro forma accounting records and the development of a cash budget.

6.DATA ANALYSIS AND INTERPRETATION

Table 6.1: Current Ratio of 2018-2022

Year	Current asset	Current liabilities	Current ratio
2022	749.92	191.42	3.92
2021	623.8	189.71	3.28

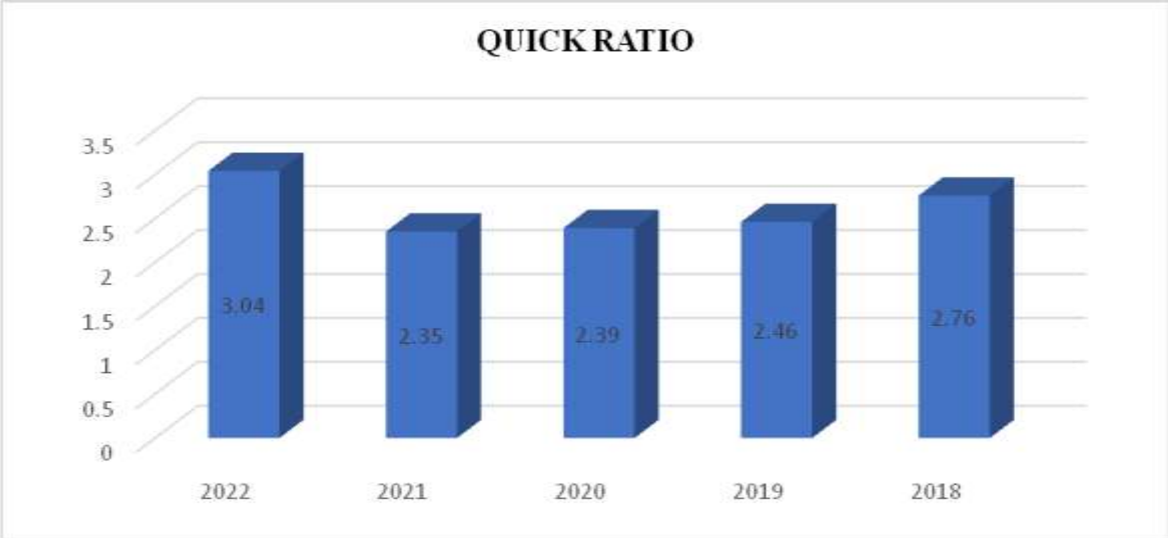
2020	598.94	183.41	3.26
2019	566.35	144.13	3.92
2018	492.66	137.86	3.57



A company's ability to make a profit short-term debt using its current assets is gauged by its current ratio. The company's current ratio has steadily risen over the last five years, showing a growing capacity to fulfil its short-term commitments. A ratio of 3.92 for 2022 implies a rather good position and a constant trend in terms of financial well-being and liquidity in comparison to prior years.

Table 6.2: Quick Ratio of 2018-2022

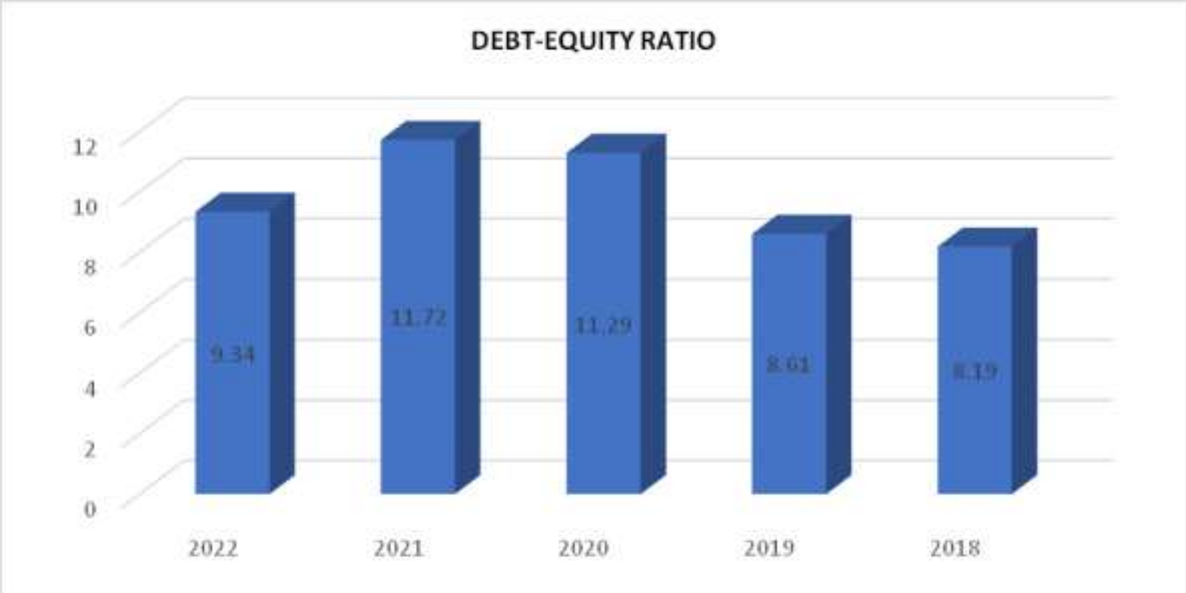
Year	Quick asset	Current liabilities	Quick ratio
2022	582.97	191.42	3.04
2021	447.41	189.71	2.35
2020	438.45	183.41	2.39
2019	355.3	144.13	2.46
2018	380.98	137.86	2.76



The capacity of a firm to pay off short-term creditors using the majority of its liquid assets is determined by thequick ratio. The fast ratio has consistently improved over the preceding five years in line with the trend, indicating greater short-term liquidity. With a fast ratio of 3.04 in 2022, The economy has demonstrated its capability to fulfil urgent responsibilities. in comparison to prior years, this ratio has consistently improved.

Table 6.3: Debt Equity Ratios Of 2018-2022

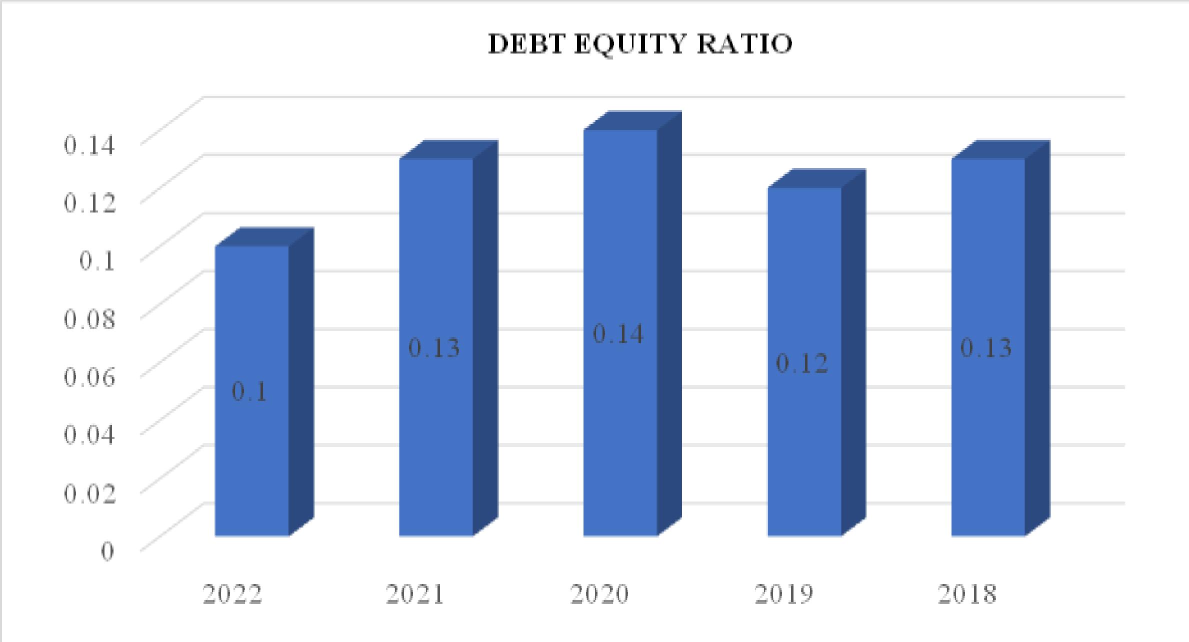
Year	Total debt	Equity	Debt-equity ratio
2022	94.75	10.14	9.34
2021	118.91	10.14	11.72
2020	114.51	10.14	11.29
2019	87.39	10.14	8.61
2018	83.14	10.14	8.19



The debt equity ratio determines how much of the capital of an organization is comprised of debt versus equity. The company's debt-to-equity ratio has shifted over the last five years. The ratio fell from prior years to 9.34 in 2022, indicating a reduced need for borrowing for support.

Table 6.4: Debt Assets Ratio of 2018-2022

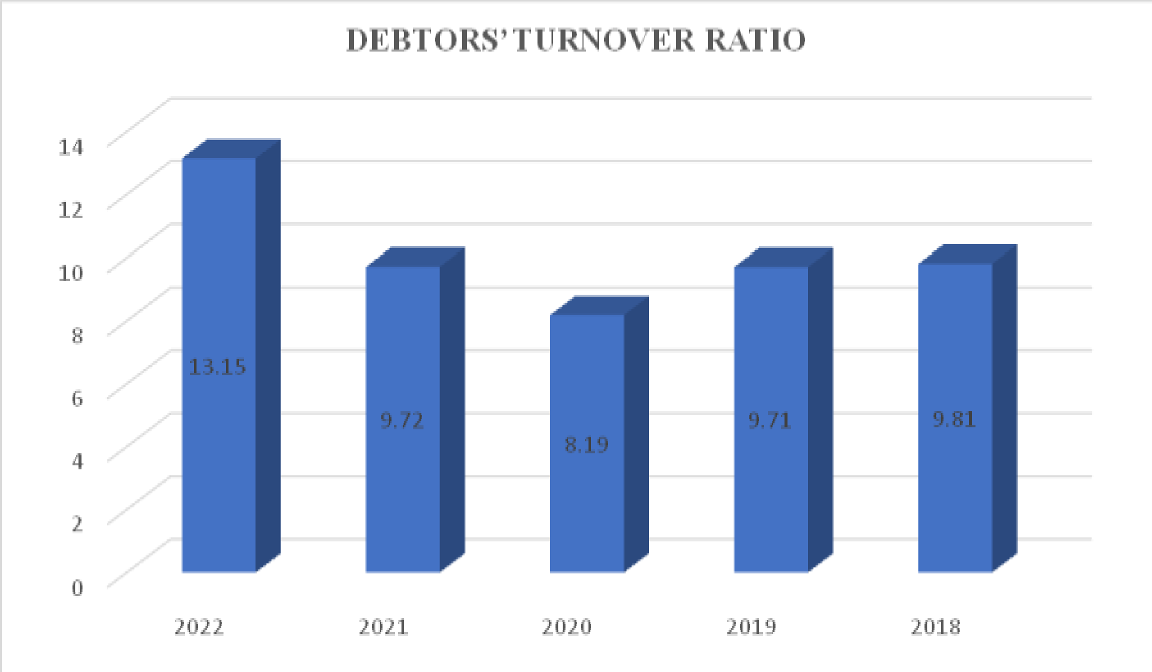
Year	Total debt	Total assets	Debt assets ratio
2022	94.75	930.14	0.10
2021	118.91	861.45	0.13
2020	114.51	790.97	0.14
2019	87.39	715.30	0.12
2018	83.14	655.48	0.13



The debt-to-assets ratio determines how much of the assets of a company are financed by debt. Over the previous five years, the company's debt-to-assets ratio has exhibited a rather steady trajectory. In 2022, the ratio will be 0.10, which illustrates a steady level of debt utilization to fund the company's assets with a slight decline from earlier years.

Table 6.5: Debtors Turnover Ratio 2018-2022

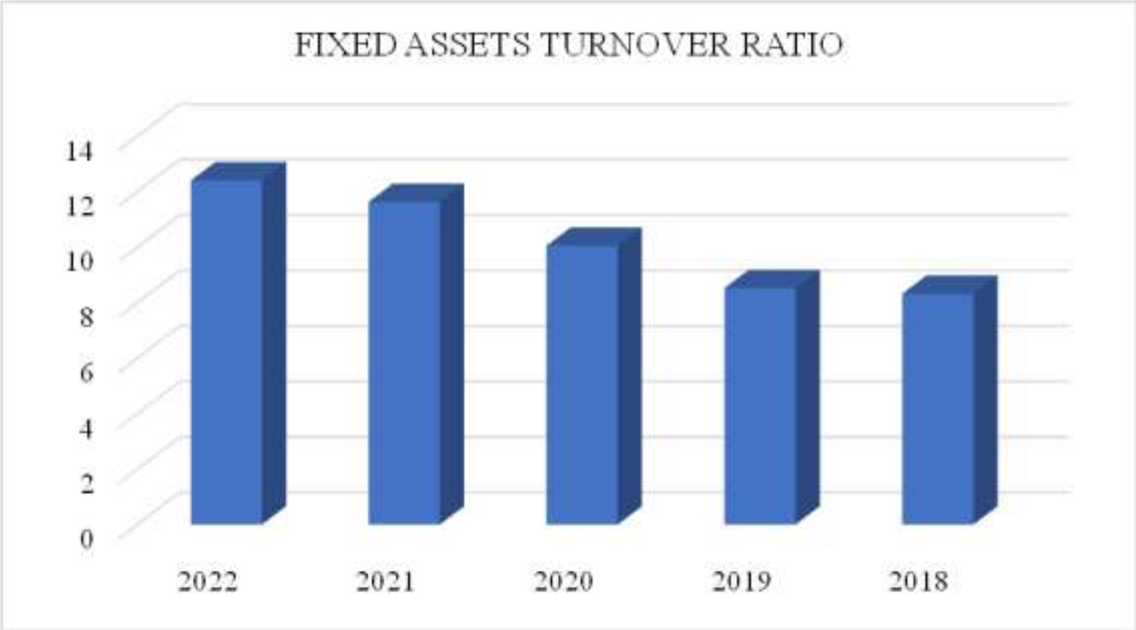
Year	Net Sales	Avg Debtors	Debtors' turnover ratio
2022	1246.29	94.75	13.15
2021	1156.29	118.91	9.72
2020	938.94	114.51	8.19
2019	848.64	87.39	9.71
2018	815.88	83.14	9.81



The success of a business's collection efforts from its creditors is gauged by the debtors' turnover ratio. The company's debtor turnover percentage has fluctuated during a period of five years. The ratio of 13.15 in 2022 indicates an improvement in debtor payment collection over prior years, demonstrating improved effective management receivables.

Table 6.6Fixed Assets Ratio Of 2018-2022

Year	Net Sale	Net fixed assets	Fixed assets turnover ratio
2022	1246.29	100.45	12.40
2021	1156.29	99.35	11.63
2020	938.94	93.76	10.05
2019	848.64	99.50	8.52
2018	815.88	97.99	8.32



The fixed-asset turnover ratio assesses how effectively a business generates sales using its fixed assets. The organization's fixed-asset ratio of turnover has shown a constant rising trend over the last five years. The ratio of 12.40 in 2022, which reflects effective asset utilization, shows increased efficiency in producing revenue from fixed assets when compared to preceding years.

Tools and techniques:

Multiple ratios have been used in financial planning and forecasting. Common techniques include:

- Current ratio
- Quick ratio
- Debt-equity ratio
- Debt assets ratio
- Debtorsturnover ratio
- Fixed assets turnover ratio

7.FINDINGS

Over the years, the current ratios have generally risen, reflecting increased short-term liquidity.
In recent years, the ratio has consistently remained above three, indicating a solid ability to meet immediate obligations.The quick ratio shows a sound liquidity situation and moves in a similar direction to the current ratio. In recent years, it comfortably stayed above two, indicating a strong ability to manage current financial responsibilities.Although Over time, the ratio has varied, but it has always remained within a reasonable range. A stronger reliance on debt funding, which may increase financial risk, is indicated by a debt-to-equity ratio.The percentage has stayed largely consistent throughout time, pointing to a balanced debt framework. Indicators of a moderate degree of debt in related to assets range from 0.1 to 0.2.Over time, the ratio has decreased., which shows that debtor collections are taking longer. Lower ratios may be a sign of potential collection and credit control issues.Over time, the

ratio gradually fell, indicating a little decline in asset utilization efficiency. For this reason, higher ratios are frequently preferred because they show improved fixed asset utilization.

8. CONCLUSION

According to its financial results during the last five years, the company has increased its liquidity and operational effectiveness. A stable ability to satisfy short-term obligations is shown by the current ratio, which constantly displays values over three. This liquidity strength is supported by the quick ratio, which is safely above two. The debt-to-equity ratio demonstrates a stable capital structure, despite a little rise over time. In contrast to total assets, the debt-to-assets ratio remains extremely stable, demonstrating that debt is being controlled carefully.

The ratio of new debtors also demonstrates a steady level of collection effectiveness, with values between Nine and thirteen. With a small increase over time, The fixed-asset turnover ratio demonstrates how efficiently fixed assets can be utilized to generate sales.The business exhibits strong liquidity, effective operations, and responsible debt management. All of these indicate sound financial standing and efficient corporate operations. To maintain and strengthen these encouraging tendencies, however, ongoing observation and planning for strategy are advised.

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