



# A STUDY ON FINANCIAL PERFORMANCE OF DELL COMPANY

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## ABSTRACT

*Financial overall performance is a subjective measure of how properly a company can use assets from its primary mode of commercial enterprise and generate measure of a firm's overall monetary fitness over a given period. The study used five years of DELL company data and the main objective of the study is to estimate the profitability of the business concern. The tools used for the study are liquidity ratio, profitability ratio, activity ratio and total assets turnover ratio. The company has to improve the efficiency at converting sales into actual profit to enjoy the best profit. The company should try to keep the costs lower and increase its the sales.*

**KEYWORDS:** Profitability ratio, activity ratio, sales growth.

## 1. INTRODUCTION

Financial overall performance is a subjective measure of how properly a company can use assets from its primary mode of commercial enterprise and generate measure of a firm's overall monetary fitness over a given period. The economic overall performance identifies how nicely an employer generates revenues and manages its belongings, liabilities, and the economic past times of its stakeholders.

Analysts and traders use monetary performance to evaluate similar companies across the identical industry or to evaluate industries or sectors in aggregate.

Financial analysis involves the usage of financial statistics to assess an agency's performance and make tips approximately how it may improve going forward. Financial analysis primarily performs their work in excel, the usage of a spreadsheet to investigate historical statistics and make projections of ways they think the organization will carry out in the future.

## 2. STATEMENT OF THE PROBLEM

The problem of the analysis is to decide the economic ratio evaluation and to earn enough profit to control the proper functioning of DELL Company. The comparative evaluation technique determines the profitability and financial overall performance of a business through comparing economic statements of or extra time periods. The performance of business is measured by using the quantity of profit earned. The more the profit, the more efficient is the business. An attempt has been made to analyze the financial performance of the business of DELL Company.

## 3. OBJECTIVE OF THE STUDY

- To study the Profitability position of DELL Company.
- To Identify the Liquidity position of the concern.
- To know the changes over working capital of DELL Company.



#### 4. RESEARCH METHODOLOGY

Source of data	Secondary data
Period of study	2015-2016 to 2019-2020
Framework of analysis	Financial statements
Tools and techniques	Ratio analysis

#### 5. STATISTICAL TOOLS

The following statistical tools were applied to analyses the statistical data collected for calculation of financial performance analysis.

##### LIQUIDITY RATIO

- Current ratio
- Liquid ratio
- Absolute liquid ratio

##### PROFITABILITY RATIO

- Gross profit ratio
- Operating ratio

##### OTHER RATIOS

- Expenses ratio
- Inventory turnover ratio
- Total Assets turnover ratio
- Working capital

#### 6. REVIEW OF LITERATURE

**PROFESSOR HAITHAM NOBANE (2016)**, In this paper, the financial performance of the American technology company, Dell Technologies was assessed via the use of four different types of financial ratios. To compute these ratios, data was extracted from Yahoo Finance. The progression of each ratio was studied over the period between 2016 – 2019. Four types of ratios were analyzed: Liquidity ratios, Activity ratios, Debt Ratios, and Profitability Ratios. This analysis, along with secondary Literature Review of articles from peer-reviewed journals, allowed for the development of

suggestions to further increase the stability of the company's financial state.

**SHENBAGAM & KANNAPPAN (2015)**, Financial analysis is an aspect of the overall business finance function that involves examining historical data to gain information about the current and future financial health of a company. The present study found that the "A study on financial position and performance analysis with special reference to Tata Consultancy Services" for a period of five years from 2010 -2011 to 2014 -2015. The data was collected from the company's annual reports and other related information was gathered from the journals and books. To know the financial ratio in IT, sector the researcher have taken Tata Consultancy Services for their study.

**JAGDISH RAIYANI (2019)**, Since Centuries India is leading in Science & Technology, curious mindset of the people is the force behind leading India in today's modern day world of information technology. India is one of the largest exporters of such services in the field of IT and Business Process Outsourcing (BPO), it also shares a maximum portion round about 7.7% in GDP of the country which is projected to increase to 10% in 2025. Hence it becomes imperative to know the financial performance of IT company the way it' going forward. The present paper analyses the financial performance of the top 10 leading companies of India by analyzing its profitability and liquidity performance over the years.

#### 7. TABLES

Year	Current Ratio	Liquid Ratio	Absolute Liquid Ratio	Gross Profit Ratio	Operating Ratio
2015-16	0.93	0.87	0.25	16.47	184.54
2016-17	0.81	0.74	0.30	21.96	181.89
2017-18	0.88	0.82	0.35	25.98	177.07
2018-19	0.80	0.72	0.22	27.65	172.56
2019-20	0.70	0.64	0.18	31.40	165.76



- Current ratio of the company was highest in the year 2016 with the ratio of 0.93 and lowest in the year 2020 with the ratio of 0.70.
- Liquid ratio, highest in the year 2016 with the ratio 0.87 and in the lowest in the year 2020 with the ratio 0.64.
- Absolute liquid ratio of the company was highest in the year 2018 with the ratio 0.35 and lowest in the year 2020 with the ratio 0.18.
- Gross profit of the company was highest in the year 2020 with the ratio 31.40 and lowest in the year 2016 with the ratio 16.47.
- Operating ratio of the company was highest in the year 2016 with the ratio 184.54 and lowest in the year 2020 with the ratio 165.76.

## 8. SUGGESTION

- ✓ The company is able to pay short term obligations and the company has enough quick assets to pay for its current liabilities, so the company has to maintain this further
- ✓ The company's day-to-day cash management need to be improved.
- ✓ The gross profit margin may be improved by increasing sales price or decreasing cost of sales.
- ✓ The company has to improve the efficiency at converting sales into actual profit to enjoy the best profit.
- ✓ The company should try to keep the costs lower and increase its sales.

## 9. CONCLUSION

The analysis of financial performance of ORACLE FINANCIAL SERVICES SOFTWARE Limited is stated in this report. The liquidity position of the company is satisfactory hence the company can meet out its short term liabilities and have enough quick assets to pay off current liabilities and future it has to maintain day to day cash management to increase the absolute liquid ratio alone. However the profitability position of the company is not much better, that the company has to decrease the cost of production and keep the cost lower or increase sales price and also

need to improve the efficiency in converting sales into actual profit.

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