

Assignment Report

anonymous marking enabled

Submission date: 28-Aug-2020 10:00PM (UTC+0500)

Submission ID: 1375579192

File name: Managerial_Assignment.docx (20.45K)

Word count: 331

Character count: 2094

Week 1

Student's Name

Course title

Date.

Data obtained through managerial accounting has over time played an important role in informing managers and decision makers within an organization on the best move to take. Most decisions such as operational decisions which are aimed at increasing a company's operational efficiency are guided by the accurate figures obtained through managerial accounting (Tarver, 2019).

Understanding how major parameters such as Assets, liabilities and Stakeholder's equity are categorized in a balance sheet prepared me well for the calculations. With much interest that I have had to understand the market trend before Investments are made, I found several aspects in the calculations performed to be of great importance. The major one was the Return on Investment (ROI). This is so, because most businesses owners tend to fail due to the failure to understand the returns on an investment before they can make sound decision to invest capital in such enterprises (Chen, 2020). In my calculation, return on investment which is a key component in investment ¹ can be obtained by taking the net Operating Income and dividing it by the Average operating Assets of the company as demonstrated below:

$$\$15,400 \div \$ 203,640$$

$$0.07562 \times 100$$

$$= 7.56\%$$

As for classmates who might have encountered some difficulties in performing different calculations, the best way to handle such situations is by first understanding the computation formulas for each and the specific parameters that are required to compute; Quick Ratio (QR), The Current ratio, Return on Investment (ROI) and Earnings per Share (EPS). For example, debt to Equity can be computed by dividing Debt / Equity, and in our case, debt included all liabilities

such as; Mortgage payable, Bonds payable, current notes payable, and Accounts payable. On the other hand, equity includes common stock and retained earnings. Once you have identified these in our balance sheet, we can now undertake the computation based on our formula.

References

Cheju.J. (2020) Return on Investment (ROI).Retrieved from,

<https://www.investopedia.com/terms/r/returnoninvestment.asp>

Tarver.E. (2019): When is Managerial Accounting Appropriate? Retrieved from ,

<https://www.investopedia.com/ask/answers/062315/what-are-common-scenarios-which-managerial-accounting-appropriate.asp#:~:text=Managerial%20accounting%20can%20be%20used,making%20long%2Dterm%20investment%20decisions.>

Assignment Report

ORIGINALITY REPORT

4%

SIMILARITY INDEX

0%

INTERNET SOURCES

0%

PUBLICATIONS

4%

STUDENT PAPERS

PRIMARY SOURCES

1

Submitted to Kaplan University

Student Paper

4%

Exclude quotes Off

Exclude bibliography On

Exclude matches Off