

# Internal analysis and swot analysis

Business



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Economic Value Added Task: Economic Value Added Economic value added is a term, which can also be described as profit (William, Flinnagan, 1997). It can be described as the excess value that remains when all the operating expenses including tax are subtracted from the total income of the business operations in a specified period e. g. 1 year. Economic Value Added is calculated through the formula:

$$Eva = (r - C) * \text{capital employed}$$

Where:

r- Economic rate of return

C- Cost of capital

Physical resources are those material goods that are made by man using his abilities and skills (Calhoon, 2010). There are so many examples of physical resources they include machinery, buildings, motor vehicle e. t. c. According to this book, the definition of physical resources is too general. However, according to other scholars, it gives a wider definition of physical resources to be the resources that are produced from the skills of man. This website brings out a better view than the book. The website also gives more information than is necessary. Used in an internal analysis, to show the wealth accumulation of the firm in terms of assets.

According to a certain website, financial resources are the monetary sources of a firm. The website only gives a general view with a few examples. On other website, it only considers financial resources as money loans from banks. Most of the information is on banks, and it gives the wrong information or picture. This is because the finances are more to do with more than one single source. This can be used in an internal analysis to show the economic ability of a company (Marc, 2003).

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Human resources are all the people who compose the employees of an association who work towards the achievement of the goals of this organization (mark, 2003). This book gives a good description of human resource. This does not give the true picture of human resource as it gives information on workers of a company. Human resource is used to measure the level of motivation in a company. It can also be used to show the level of activity in a company and the cost of production. In the analysis, it is used to measure the level of efficiency and the social responsibility of a company. Technical resources are those assets owned by the company that can be used to improve or for the benefit of technology in an organization. This can be in terms of technological formulas or personnel with good experience and technical knowhow. According to William (1998), they describe the technology in details, which is meant to mean technical resources. It gives technology a depth description of its work and how it is used. Technology is used in an analysis, to measure the efficiency of a company and its continuity. It gives the analyst the picture of how prepared the company is to face the future.

Architecture is a technical term used to mean the procedure of making and designing structures an individual such as buildings, bridges and roads. This gives a large picture of the term but may confuse someone due to too much information. The word is also in the book by Neufert (2012).

Intellectual resources are those resources that an individual has a wide knowledge on something. It is protected using copyrights and patents. According to an economist's point of view, intellectual resource is depicted differently. It gives too many details, and it is inappropriate for a starter.

Goodwill refers to the accumulated value of the image of accompanies

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name. It is mostly given in monetary terms. Goodwill is a term used to denote the cost of the image of a company that is beyond its assets. It is used in the analysis, to give a forecast on the ability of a company to continue in business.

#### References

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