

Company shut-down

[Literature](#), [Russian Literature](#)



The paper "Company Shut-Down" is an outstanding example of a research paper on macro and microeconomics. Considering that the basic purpose of our/any entrepreneur is profit and the fact that our company is not running for this end, I would like to put forward the reasons for its shut down to be an appropriate action. The table in the paper shows the analysis of our company's profit at the present. There are two basic tests to find out if one's company is insolvent: Are our liabilities greater than your assets? Can we pay your debts as and when they fall due (Thatcher, 2009)? Looking at the state of our company based on the above, although we do not have a loss yet we can not determine the exact fixed cost of the company since it is highly changeable over the time. Moreover, the profit that our company generates is so minimal that if a little variation occurs in fixed cost, say if a little number of labors are placed, we may face a total bankruptcy. So the above two tests hold true for our company for the assets that it has in the form of profit is negligible to the extent of being lesser than the liabilities. And since the profit is less, we will not be able to pay all our dues in the present or in the future. The situation of our company seems to be in a dire situation and it is "best if (the company) shuts down (it's) operation in time, it may be able to avoid bankruptcy" (Business Shut Down).