

It is required to adjust the earning before interest and taxes of sunbeam corpora...

[Business](#), [Company](#)



Accounting and finance are two different things but most of the people regarded both of them as identical ones. Though the provision of both of these subjects are totally change to each other. The main perspective of this assignment is to analyze the stance of financial position of a selected company. The case study has number of questions to be answered accordingly

- Adjustment of Earning Before Interest and Taxes

- New operating Cash Flow

The adjustment made in the Earnings before Interest and taxes have a dominating effect over the operating cash flow as well. The current level of net earnings of the company (unadjusted) was \$ 109, 415, now the effect of impairment loss should be subtracted from the same, so we have a new adjusted net earnings of \$ 109, 256, and hence the total Net Cash provides (used) through operating activities will also change considerably and now the total cash used is (\$ 8, 405).

- Frauds and Cases

Apparently, there is no case of fraud has been seen and envisaged here. As a summary, it could be said that the company is in a good financial condition and it should be in the same momentum for a long span of time.

Part-2

Strategic Management and Strategic Analysis are two of the most interesting and dominating things from the viewpoint of an organization and from the viewpoint of an analyst as well, as there are certain decisions which could be take due to the essence of strategic analysis in total. Michael Porter is one of

those authors who identified many things about the strategic analysis in total. Porter's Five Forces Analysis is one of those tools which have been used in the net of strategic analysis. All the factors of this particular tool are important and the description of each one is mentioned below,

- Rivalry Among the Competitors-it describes the influence about the level of competition an economy has and what sort of competition stance could be taken into consideration. For example, an Australian Halal Food company is entering in United Arab Emirates (UAE), and the amount of competitors analyzes the rivalry among them.

- Bargaining Power of the Consumers: It analyzes that how much the consumer could afford or what is the buying power of the consumers in this particular context. In this context when the power of bargain of consumer is high for Halal Foods because they have many options to initiate the same in a given economy.

- Bargaining power of Suppliers: It analyzes that how much influence supplier could give to the companies in terms of financials. Example could be taken for the same Australian Halal Food Company in UAE, wherein number of suppliers are there to meet the expectation of the company

- Barriers to Entry and Exit: it analyzes the stance of entry and exit out from an industry. Example the entry and exit barriers from the government of UAE

- Threats of Substitute Products: It will analyze the alternative product of a specific product, like the products of Halal Foods in total.

b. Accounting Examples

There are only two components which comes under the net of accounting

base example, which predominantly are bargaining power of consumers and bargaining power of suppliers

Bargaining power of Consumer – Product Selling 2\$ per Unit

Bargaining Power of Suppliers – raw Material 0. 80 Cents per unit