

Justifications for audits of financial statements

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The paper "Justifications for Audits of Financial Statements" is an excellent example of a literature review on finance and accounting. Financial statements are plain statements based on historical records, facts, and figures. They are uncompromising in their objectives, nature, and truthfulness. They reflect a judicious combination of recorded facts, accounting principles, concepts and conventions, personal judgment and sometimes estimates, Brown and Ronen (2013) also regarded as indices of an enterprises performance and position in the long run. The trend from the year 2001-11 has a positive attribute, the performance is generally impressive. The borrowing and repayment figures imply that the firm or enterprise is at high performance. It is of significance to note that the returns after borrowing are quite impressive and without a doubt, this is a good attribute. However, the debt or stock insurance fee has gradually decreased in minimal proportions that imply there is a diminishing attribute of the firm's operations. Furthermore, in the long run, the servicing of these debts is not a major problem to the firm since there are adequate revenue returns to service the debts. On the contrary, during the year 2001, the firm's operations were not impressive because the shareholders never received any dividends. This was a setback to all ordinary shareholders whose dividends never accumulate to the next financial year. In addition, the market operations as seen, by that period were never in the favor of the company's operations and running. It is also evident that the costs incurred in running the business seemed ambiguous which further translates out that the management did not implement policies for the good of the firm. In conclusion, however, despite the shortcomings, the trend was rather impressive.