

Norfolk southern railroad company research papers examples

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



Norfolk Southern Railroad Company is a corporation that deals with the transportation in the Columbia. It serves more than 22 states in the District of Columbia and operating more than 20000 route mile. It provides rail carriers in the western part of the United States where it transports containers. Therefore, it provides efficient transportation of the products such as industrial and coal in the eastern part through rail carriers.

The company has three main branches operating at the designated areas.

The Norfolk and Western is one of the branches that were made in 1881. The second is the Southern Railway System which formed in 1918 and third is the Conrail. The Conrail was started in 1976 as a result of the Penn Central Railroad that existed in the 1968 to 1976.

The company is the major transporter of the coal both domestically and for the export. It extends its services to the transportation of the auto parts and the vehicle in the United States. This is possible because it operates the intermodal container and the trailer on flat car trains (TOFC) in addition to the some railroads.

The company has over 30, 000 employees and cars and the locomotives are more than 3, 468. This was according to the 2012 annual report that was released to the investors. In additional to this, the report showed that, at the transportation of the coke, coal and iron ore had contributed to 26 percent of the total revenue of the company. The intermodal has made to the 20 percent of the total and the general merchandise making 54 percent of the operating revenue of the company. The merchandise includes the automotive, chemicals, construction material among others.

According to the report, the conveyed image shows the potential of the

business to maneuver the entire transportation industry in the area. This is as the strategic measures that are enhance to make the business remain more competitive.

Economic factors in the transportation industry

The industry has contributed to the employment of the large number of people in the sector. They include the drivers and those personnel operating in the warehouses. This has made an improvement in the living standard of the citizen in the area the business operates. The estimate of the employees of the company is over 30, 000 thus this is the proof of how it has contributed to job provision, therefore, improvement in the economic growth.

The company helps in the transportation of the good especially the coal, iron ore and the coke. These are the raw materials which are made available in the manufacture of the finished goods. This helps in the production industries establishment, therefore, the economic development. The company through the transportation plays a major role that makes the economy be enhances.

Through the efficient transport in the area, the resident of the extraction of the raw material enjoys the business of their extracts due to the reduced cost of the transportation. Therefore, they earn a good return, therefore, improving their status. This shows the development in the area leading to the high standard of living. Transportation and the logistics have a great impact to the improvement of the industry at the greater extent. This is evident in the sector of the air and rail transport where they have contributed in the integration of the international trade. Therefore, the entire

sector in the transportation and logistics industry has contributed the revenue generation to the country and mostly to the company.

Transportation of the products is the key to the economic development and growth to every country. This has made the area served with the good connection of the railroads to enjoy the development. This leads to the opening up the area to the business. It helps in the good return of the trade and, therefore, high revenue to the country's administration. This is recommendable due to the increased level of production and development of the area.

The company in the business life cycle

The company's report in the comparison with other earlier reports shows that it is at the growth stage. This is at the third stage of the life cycle where the return of the business is high. This has evidently as results of the reduced cost of the operation in the business. At this stage, the public awareness and the increasing profit are some of the characteristics that the company has. The Norfolk Company has experienced increasing competition from other firms in the business. In the growth stage in the business lifecycle, competition, low prices and the differentiation as the market approach is the distinguishing factors. The company has shown these characters in its operation and conduct. This is an evident that it is operating at the stage of the growth in the business cycle.

Important factors for success

In the transportation industry, there is a number factor that makes the company operating in it to be successful. To begin with is the low cost of the

transportation whereby the company has fewer expenses compared to the time where the level of expenditure is high. This result to the high rate of return in the long run, therefore, profit making. The second factor is the efficient contact in the area of the service. This improves the connectivity in the area making the transportation much easier. This helps in the collection of large quantities of the products leading to the high revenue.

The third importance of the transportation industry is to boost the economy of the country. This has been affected by the transportation of the raw materials to the production site. In the export of the product has been evidence as the port and the railroad has connected the area, therefore, integration is much easier. The employment of the residence by the company has contributed to the development of the economic and boosting their living standard. This has been extended event to those indirectly employed whereby the production and the manufacturing do take place.

Business risk in the transportation industry

There are a number of the risks in the business of transportation especially in the logistic field. The risks include the fuel costs where the price keeps rising, therefore, making the transportation of the cargo be charged at higher prices. The second risk is the increased equipment price. This has made the equipments that are used in the entire range and the related tools to cost the company a lot and higher price. These results to the high cost of operation making the revenue earned to below.

The third risk involved with the business is an attack by the terrorists. The transportation industry has recently experienced attack by the terrorists

especially on the air and the sea transportation. The theft cases of the cargo have also been reported, therefore, making the entire business experience loss in terms of the resources and the revenue.

The rate at which the companies are paying the insurance of the cargo and the premium of the entire business commodities is much higher. This has reduced their earning as they are spending much on the insurance premium. This has made the company extend the same cost to the customers where they charge more on the products and the services they provide.

Finally, licensing and the registration fee have made the cost of the services provided to be high. This result from the border point where the charges in the entrance of the destination of the products. This has made the sector of the transportation experience high cost of operation of which lowers the rate of revenue.

Accounting attention in the transportation industry

There is use of the accounting in various forms, in the transportation and logistics industry. Start with is the recording of the daily data of the operation that take place. This includes the data entry of the operation cost that has been incurred and the received revenue. The keeping of the record is the key and essential for a business especially in the transport industry which has numerous activities. The sheets such as the balance sheets are dominant in the showing the status of the business. Therefore, has been used mainly in every sector, in the business. This is from the daily journals that are used to record the entries as they take place in the field.

The reports are usually made at the quarterly, semi annually or annually

depending with the business. This is another form of the accounting that is done to show whether the company is operating at loss or profit. This is the determinant of the status of the company that indicates the potentiality of the business by showing the development and growth.

Legal matters and the social concern

The legal matter that the company has to adhere with is concerned with the tax payment. This is as the regulatory of the authority of the area the operation is taking place. The registration and the licensing of the business as well the carriers are necessary. This is as the response of the regulatory act that helps the government to prove the services such as security and other development which the company cannot cater.

The social issue that the company has to put in the consideration is the environment conservation. This as the some of the carriers does the polluted environment through use of the fuel that emits harmful element in the air. In the air pollution, the huge smoking engine leads an unsuitable air to the people living along the route where they pass.

The financial strength of Norfolk Southern Company

The financial strength of the company is measured using three elements. They include the profitability, insolvency, and the liquidity of the firm. The profitability shows whether the company is in the position of generating a profit as per the time. Insolvency shows the ability of the company to meet the amount of the principal and the interest in the period of the time accordingly.

The liquidity gives the experience of the business in the utilization of the raw

materials available to meet the set short term goals. The company has high potential in its financial as it has registered high profit in the financial report. This has been a trend that shows continuity in a number of years to come. The company strength is high and hence the projection of the same due to the competitive advantage in the business especially in the region.

The source and value of the capital

The company's capital comes from the company's revenue and the generated revenue in its operation. This is from company's construct new buildings and purchase of the trucks. The value of the capital constitutes a large percentage of the company's wealth. The quality of the earning of the business comes from the stock market where the shareholders trade. This makes the company earn huge profit as the as the shareholders trade. The company also enjoys the huge market of the distribution of the cargo using railway, road, water and the air transport. This makes a huge profit as a return. In comparison with other companies in the transportation and logistics industry, the Norfolk has a competitive advantage over them due to the enhanced connectivity. This makes it more efficient and convenient.

Audit plan

The transaction cycle

The accounting transaction of the business deals with the daily paperwork that result of the individual activities. These forms are the purchase order, job tickets, payroll check and the invoice that are prominent in accounting cycle. Then the paperwork is analyzed to satisfy and validate before they are entered in the system. After the balancing and verification, the trial balance

report and the financial statement of the company are created.

High risk area is those where the audit is not likely to reflect the required result of the business. This makes the reports that are essential to the business mostly concerning the wellbeing and the status of the business. On the other side, the low risk areas are in the areas that are not much sensitive to the operation. According to the transportation industry, the high risk area is the capital assessment in the revenue return of the business. This is at the point of the production of the financial report to the shareholders must be accurate.

The assessed risk in the audit should be reduced to the extent where there is no effect on the value of the business. This is to make sure the report produced and presented to the shareholders is clean. Confidence of the business management in the company is sent to the stakeholders and the shareholders in the situation of proper audit.

The audit effort can be allocated to a geographical area by ensuring that the branches have audit department. This ensures that every financial work passes through the audit before being presented to the main auditor. This reduces the chances of the risk of missing the correct figures in the financial reports. The form of the audit report that should be released and issued to the management should be from the office of the chief auditor that has been verified. This makes sure that the chance of risking is low and having being verified can be presented in the financial report.