

Processes starbucks uses to comply with sec regulations

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



Starbucks act ethically in a way that is consistent with the statement of ethics. The enforcement of the ethical processes is of great importance to the firm. Incases where the firm is suspected or is alleged to violate it is the duty of the person who makes such discovery to report to the firm's manager, the team management at the sites or at the ethics committees directly. The firm therefore conducts an investigation in order to identify and also to confirm the allegations as well as the legal aspect that may make the intended objective of the firm difficult to achieve.

In cases when the allegations are found to be true, the management takes action immediately in order to correct the divergence and the contact of the guilty person is terminated regardless of the position held by the person. The areas that are monitored and observed by the firm include the work place, the market place and the worldwide community. The workers are informed that there is no guide or a manual in the firm that can be used to give the person a full set of rules that they should be followed.

Therefore this leaves the workers to trust their own judgment of what they feel is right or wrong. The firm's management has put in place many internal controls that ensure that the firm complies with the SEC policies and the regulations. SEC was created in order to protect the country's investors and to regulate the securities markets. Then policy also monitors the firms which operate in USA in order to ensure that the firms' policies and regulations are compliant with those of the Federal government. The Trend for Each Ratio

The current assets of Starbucks firm show that the firm has the ability to pay its near term financial obligations. Depending on the type of business done

by the firm, the current ratio is at least 2: 1. A lower amount of ratio means that the firm is not able to pay its bills when necessary whereas a higher current ratio means that the firm has got money either in cash or in asset form that could still be used to run the firm effectively safely in the future. The day's receivable ratios of Starbucks Company are used to measure the average number of days when the accounts receivable are outstanding.

The number is lower than the firm's credit terms. If it was equal to the firm's credit terms, the number would still be appropriate. In addition, other ratios such as the cost of sales to payable ratios could be converted to ratios. The debt ratio indicates the mix between the Starbucks' investment and the capital that is supplied. The company is therefore safer because it has low debt to equity ratio. This means that the firm has a higher proportion of the capital which is supplied by the owner. Excessive ratio in the firm could show high caution.

The debt of the firm has to be between 50- 80 percent for the firm to be successful. The debt ratio could also be used to measure the Starbucks capital which is available for investment through borrowing. If the debt ratio of this firm is more than 1 then the firm has a negative worth and could translate that the firm is bankrupt. References Bangs and David, H. , Managing by the Numbers: Financial Essentials for the Growing Business. Upstart Publishing, 1992. Casteuble and Tracy. Using Financial Ratios to Assess Performance. Association Management. July, 1997.