

# Decoding apples balance sheet

[Business](#)



Decoding Apple's Balance Sheet Affiliation: Apple has pursued a successful business aspect since its establishment. The company has engaged vibrant business strategies, placing it at the forefront in its business operations and competition against its rivals. Today, Apple is one of the most successful technology-driven companies in the world. While its customer base and market share locally and in the global markets is significantly high, it is important to evaluate the company's financial performance. Assets, liabilities and shareholders' equity are critical to account for in this case. This is important in making decisions that pertain to investment in the company. Investment activities are undertaken by individuals, firms, firms and corporates with an objective of improving their welfare. Individuals specifically rely on financial reports to make their investment decisions. Investing in Apple does not entail any difference in the same line. The trend in Apple's asset growth makes it a good investment. Apple's total assets on March 28, 2009 stood at \$43, 237 (Apple Press, 2009). This followed an increase from the previous March 27, 2008 report that recorded total assets of \$39, 572. Current assets over the same period recorded a significant increase, meaning that the business portfolio of the company experienced significant growth over that period.

The company's liabilities pinpoint to the obligations to other parties that must be met when they fall due. Liabilities are part and parcel of business operations, resulting from the various activities that the company engages in. However, the company's liabilities are critical to consider in making investment decisions. Apple's current liabilities stood at \$13, 751 in March 28, 2009 and \$14, 092 in March 27, 2008 (Apple Press, 2009). Current liabilities for the company declined over the 2008/2009 period. On the same <https://assignbuster.com/decoding-apples-balance-sheet/>

note, total liabilities account for all-round Apple's operations. Over the same period, total liabilities increased by a small margin. Even with the small increase in total liabilities, the company is in a better position to account for them given its asset base. As a result investment into the company is not threatened by poor performing, thereby making Apple a good investment. Shareholders seek to maximize their wealth given their shareholdings in the company. Shareholders' equity trends shed light to the how favorable investments are in the company. Apple experienced an increase in shareholders' equity over the 2009/2009 period. In March 28, 2009, the company's shareholders' equity stood at \$43, 237, compared to March 27, 2008 figure of \$39572; with total liabilities accounted for (Apple Press, 2009). This was an indication that the company's shareholders stood at a better position in 2009 as compared to 2008. This scenario depicts an increase in shareholders' welfare and wealth for that matter, over the same period. Choosing to invest in the company is a right decision based on the information provided by the company's financial reports of 2008 and 2009. Vital investments are beneficial to the investor, and this is the primary objective of all investors. Although investment objectives are not always realized, it is important to evaluate and assess necessary and relevant information that aid investment decision making. The trend of Apple's business operations and performance has been a success over the years. Even with this, it is important for an investor to scrutinize the company's financial reports in order to minimize chances of low value investments. Apple is a good investment, as the decoding of its balance sheet shows.

#### Reference

Apple Press. (2009). Best March Quarter Revenue and Earnings in Apple  
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