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A Study Of Liquidity Analysis of Selected Electronic Companies of India.

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ABSTRACT:

Electronics industry plays vital role in development of economy. In today's era it is necessary for each commercial and household unit to have efficient electronic resources. Present study conducted to know the liquidity position of selected electronic companies. Based on net worth top 5 electronic companies have been selected for the year 2017 – 18 to 2021 – 22. Current ratio, quick ratio and working capital ratios were tested. And for statistical authentication ANOVA were applied. From all it was concluded that there is no significant difference found in the liquidity position of electronics companies.

KEYWORDS: Current Ratio, Quick Ratio, Working Capital Ratio, Electronic Companies

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INTRODUCTION:

Liquidity analysis is very much crucial for any organisation to assess whether financial resources are utilised in optimum manner or not. A Good source of short-term finance is dependent on effective working capital cycle of any entity. For sustainable development of any firm one must utilise its short-term finance effectively and that too on a consistent basis. Hence, In present study, we have given emphasis on liquidity analysis of selected electronic units.

PROBLEM STATEMENT:

Liquidity is a subject matter of discussion in today's competitive environment where finance is one of the crucial resources. Hence, Present study's problem statement is:

"A Study of Liquidity Analysis of selected electronic companies of India."

OBJECTIVES OF THE STUDY:

The broad list of objectives of the study are as follows:

1. To get the outlook of electronic industry of India.
2. To assess the liquidity position of selected electronic Companies during the study period.

SIGNIFICANCE OF THE STUDY:

The present study is crucial as electronic industry is one of the major contributories of economy. Hence, to know how efficient liquidity is being deployed in such industry is subject matter of discussion.

HYPOTHESIS OF THE STUDY:

To Check the Liquidity of selected electronic companies, the following list of hypotheses were framed.

H_0 : There is no significant difference in the Liquidity Ratios of selected electronic Companies.

H_1 : There is significant difference in the Liquidity Ratios of selected electronic Companies.

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RESEARCH METHODOLOGY:

1. **Selection of the Samples:** Based on the Net worth, top five electronic companies of India has been selected which are :

SR. No.	1	2	3	4	5
Company Name	Havells India	Apar Ind	V Guard	Triveni Turbine	Igarashi Motors

2. **Source of Data:** The present study is derived on the basis of secondary data for which the data was collected from financial statements of selected electronic companies and websites like moneycontrol.com.
3. **Period of the Study:** The present study was conducted for five years i.e. from 2017-18 to 2021-22.
4. **Tools of Analysis:** Accounting Tools – Liquidity Ratios
   Statistical Tools – Mean & One Way ANOVA

DATA ANALYSIS & INTERPRETATION:

1. CURRENT RATIO:

Company/Year	17-18	18-19	19-20	20-21	21-22	Mean
Havells India	2.20	1.37	1.38	1.32	1.62	1.578
Apar Ind	1.27	1.27	1.12	1.17	1.22	1.21
V Guard	2.24	2.14	2.34	2.43	2.25	2.28
Triveni Turbine	1.60	1.55	1.46	1.37	1.22	1.44
Igarashi Motors	1.30	2.47	1.26	1.37	1.85	1.65

(Source: Money control)

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ANOVA table as per Hypothesis:

Source of Variation	*SS*	*df*	*MS*	*F*	*F crit*
Between Groups	0.244416	4	0.061104	0.259701	2.866081
Within Groups	4.70572	20	0.235286		
Total	4.950136	24			

2. QUICK RATIO:

Company/Year	**17-18**	**18-19**	**19-20**	**20-21**	**21-22**	**Mean**
Havells India	1.58	0.77	0.71	0.63	0.79	0.896
Apar Ind	0.82	0.85	0.76	0.75	0.75	0.786
V Guard	1.32	1.37	1.50	1.34	1.27	1.36
Triveni Turbine	0.97	0.94	0.75	0.77	0.69	0.824
Igarashi Motors	0.96	2.13	0.93	0.93	1.26	1.242

(Source: Money control)

ANOVA table as per Hypothesis:

Source of Variation	*SS*	*df*	*MS*	*F*	*F crit*
Between Groups	0.400856	4	0.100214	0.734416	2.866081
Within Groups	2.72908	20	0.136454		
Total	3.129936	24			

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3. WORKING CAPITAL RATIO:

Company/Year	17-18	18-19	19-20	20-21	21-22	Mean
Havells India	3.43	8.17	9.22	10.87	5.30	7.398
Apar Ind	8.60	7.54	18.81	13.79	8.66	11.48
V Guard	5.67	5.04	4.32	3.98	3.37	4.476
Triveni Turbine	5.24	4.54	5.89	7.60	10.56	6.766
Igarashi Motors	13.21	2.88	12.62	8.27	3.63	8.122

(Source: Money control)

ANOVA table as per Hypothesis:

Source of Variation	*SS*	*df*	*MS*	*F*	*F crit*
Between Groups	69.90174	4	17.47543	1.141134	2.866081
Within Groups	306.282	20	15.3141		
Total	376.1837	24			

FINDINGS:

1. The current ratio was minimum during our study period is in apar ind. During the year 2019 – 20 which is 1.12 Further, It was maximum in V guard in 2020 – 21 which is 2.43.
2. The Quick ratio was minimum during our study period is in Havells India During the year 2020 – 21 which is 0.63 Further, It was maximum in Igarshi Motors in 2018 – 19 which is 2.13.
3. The Quick ratio was minimum during our study period is in Igarshi Motors During the year 2018 – 19 which is 2.88. Further, It was maximum in Apar Ind. in 2019 – 20 which is 18.81

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FINDINGS RELATED TO ANOVA:

Sr No.	Ratio	Calculated Value	Table Value	H_0 Accepted/Rejected
1.	Current Ratio	0.259701	2.87	Accepted
2.	Quick Ratio	0.734416	2.87	Accepted
3.	W.C. Ratio	1.141134	2.87	Accepted

CONCLUSION:

From the above analysis it could be concluded that overall performance of selected electronic companies found efficient and from Anova analysis, All the hypothesis were accepted. So we can conclude that There is no significant difference in the liquidity of selected electronic companies.

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