

Economic Analysis

To create or maintain a company in healthy conditions it is necessary to have financial advice that focuses on maintaining and increasing the capital of the company. This advice will provide the information required for decision-making based on information based on the current economic situation of the company.

That is why every business organization requires an economic analysis, since it provides the current information of the company and records the changes that occur with income and expenses. Apart from providing an overview of what may happen in the short or medium term.

The economic analysis directly comprises the following factors: the productivity of the company, external profitability (this refers to the investments in the company), and the examination of the income statement.

This type of analysis should be carried out under accounting principles because the information it yields is taken as a reference for decision making.

An economic analysis will be of great benefit to the company because it will be a tool that will serve to realize if the company is being effective and if the profitability is what had been projected.

Reference:

Amador, s., romano, j., y oliver, mercedes. (2015). Accounting. Retrieved on september 19, 2015, starting with : <http://www.contabilidad.tk/node/162>