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Chapter 1 : PPT â€“ Financial Merchandise Management PowerPoint presentation | free to view - id: da-Zr

Chapter Objectives. To describe the major aspects of financial merchandise planning and management; To explain the cost and retail methods of accounting.

If you can follow a recipe or apply for a loan, you can learn basic accounting. This brochure is designed to help you gain a basic understanding of how to read financial statements. Just as a CPR class teaches you how to perform the basics of cardiac pulmonary resuscitation, this brochure will explain how to read the basic parts of a financial statement. It will not train you to be an accountant just as a CPR course will not make you a cardiac doctor , but it should give you the confidence to be able to look at a set of financial statements and make sense of them. They show you the money. There are four main financial statements. Balance sheets show what a company owns and what it owes at a fixed point in time. Income statements show how much money a company made and spent over a period of time. Cash flow statements show the exchange of money between a company and the outside world also over a period of time. Assets are things that a company owns that have value. This typically means they can either be sold or used by the company to make products or provide services that can be sold. Assets include physical property, such as plants, trucks, equipment and inventory. And cash itself is an asset. So are investments a company makes. Liabilities are amounts of money that a company owes to others. This can include all kinds of obligations, like money borrowed from a bank to launch a new product, rent for use of a building, money owed to suppliers for materials, payroll a company owes to its employees, environmental cleanup costs, or taxes owed to the government. Liabilities also include obligations to provide goods or services to customers in the future. This leftover money belongs to the shareholders, or the owners, of the company. The following formula summarizes what a balance sheet shows: On the left side of the balance sheet, companies list their assets. Assets are generally listed based on how quickly they will be converted into cash. Current assets are things a company expects to convert to cash within one year. A good example is inventory. Most companies expect to sell their inventory for cash within one year. Noncurrent assets are things a company does not expect to convert to cash within one year or that would take longer than one year to sell. Noncurrent assets include fixed assets. Fixed assets are those assets used to operate the business but that are not available for sale, such as trucks, office furniture and other property. Liabilities are generally listed based on their due dates. Liabilities are said to be either current or long-term. Current liabilities are obligations a company expects to pay off within the year. Long-term liabilities are obligations due more than one year away. Sometimes companies distribute earnings, instead of retaining them. These distributions are called dividends. It does not show the flows into and out of the accounts during the period. Income Statements An income statement is a report that shows how much revenue a company earned over a specific time period usually for a year or some portion of a year. An income statement also shows the costs and expenses associated with earning that revenue. This tells you how much the company earned or lost over the period. This calculation tells you how much money shareholders would receive if the company decided to distribute all of the net earnings for the period. Companies almost never distribute all of their earnings. Usually they reinvest them in the business. To understand how income statements are set up, think of them as a set of stairs. You start at the top with the total amount of sales made during the accounting period. Then you go down, one step at a time. At each step, you make a deduction for certain costs or other operating expenses associated with earning the revenue. At the bottom of the stairs, after deducting all of the expenses, you learn how much the company actually earned or lost during the accounting period. This top line is often referred to as gross revenues or sales. This could be due, for example, to sales discounts or merchandise returns. Moving down the stairs from the net revenue line, there are several lines that represent various kinds of operating expenses. Although these lines can be reported in various orders, the next line after net revenues typically shows the costs of the sales. This number tells you the amount of money the company spent to produce the goods or services it sold during the accounting period. The next section deals with operating expenses. Marketing expenses are another example. Depreciation is also deducted from gross profit. Depreciation takes into account the wear and tear on some assets, such as machinery, tools and furniture,

which are used over the long term. Companies spread the cost of these assets over the periods they are used. This process of spreading these costs is called depreciation or amortization. After all operating expenses are deducted from gross profit, you arrive at operating profit before interest and income tax expenses. Interest income is the money companies make from keeping their cash in interest-bearing savings accounts, money market funds and the like. On the other hand, interest expense is the money companies paid in interest for money they borrow. Some income statements show interest income and interest expense separately. Some income statements combine the two numbers. The interest income and expense are then added or subtracted from the operating profits to arrive at operating profit before income tax. Finally, income tax is deducted and you arrive at the bottom line: Net profit is also called net income or net earnings. This tells you how much the company actually earned or lost during the accounting period. Did the company make a profit or did it lose money? This calculation tells you how much money shareholders would receive for each share of stock they own if the company distributed all of its net income for the period. To calculate EPS, you take the total net income and divide it by the number of outstanding shares of the company. This is important because a company needs to have enough cash on hand to pay its expenses and purchase assets. While an income statement can tell you whether a company made a profit, a cash flow statement can tell you whether the company generated cash. A cash flow statement shows changes over time rather than absolute dollar amounts at a point in time. The bottom line of the cash flow statement shows the net increase or decrease in cash for the period. Generally, cash flow statements are divided into three main parts. Each part reviews the cash flow from one of three types of activities: For most companies, this section of the cash flow statement reconciles the net income as shown on the income statement to the actual cash the company received from or used in its operating activities. To do this, it adjusts net income for any non-cash items such as adding back depreciation expenses and adjusts for any cash that was used or provided by other operating assets and liabilities. Investing Activities The second part of a cash flow statement shows the cash flow from all investing activities, which generally include purchases or sales of long-term assets, such as property, plant and equipment, as well as investment securities. If a company buys a piece of machinery, the cash flow statement would reflect this activity as a cash outflow from investing activities because it used cash. If the company decided to sell off some investments from an investment portfolio, the proceeds from the sales would show up as a cash inflow from investing activities because it provided cash. Financing Activities The third part of a cash flow statement shows the cash flow from all financing activities. Typical sources of cash flow include cash raised by selling stocks and bonds or borrowing from banks. Likewise, paying back a bank loan would show up as a use of cash flow. He finished seventh, but if he had won, it would have been a victory for financial literacy proponents everywhere. The footnotes to financial statements are packed with information. Here are some of the highlights: The notes contain specific information about the assets and costs of these programs, and indicate whether and by how much the plans are over- or under-funded. Stock options â€" The notes also contain information about stock options granted to officers and employees, including the method of accounting for stock-based compensation and the effect of the method on reported results. It is intended to help investors to see the company through the eyes of management. Listed below are just some of the many ratios that investors calculate from information on financial statements and then use to evaluate a company. As a general rule, desirable ratios vary by industry. If a company has a debt-to-equity ratio of 2 to 1, it means that the company has two dollars of debt to every one dollar shareholders invest in the company. In other words, the company is taking on debt at twice the rate that its owners are investing in the company. It shows, for each dollar of sales, what percentage was profit. To calculate the average inventory balance for the period, look at the inventory numbers listed on the balance sheet. Take the balance listed for the period of the report and add it to the balance listed for the previous comparable period, and then divide by two. Remember that balance sheets are snapshots in time. So the inventory balance for the previous period is the beginning balance for the current period, and the inventory balance for the current period is the ending balance. Bringing It All Together Although this brochure discusses each financial statement separately, keep in mind that they are all related. Cash flows provide more information about cash assets listed on a balance sheet and are related, but not equivalent, to net income shown on the income statement.

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Chapter 2 : Best Merchandising Software - Reviews, Pricing & Demos

1. Financial Merchandise Management and its benefits. 2. Reducing inventory shortage. 3. Profit and loss statement. 4. Cost method, Retail method, their advantages, and limitations. 5. Book (perpetual) inventory system. 6. Calculating cost complement. 7. Converting retail inventory value to cost.

The term financial management can notes that funds flows are directed according to some plan. E Dougall Financial management is a body of business concerned with the efficient and effective use of either equity capital, borrowed cash or any other business funds as well as taking the right decision for profit maximization and value addition of an entity. Return on Investment must be greater than the invested amount. This is the main objective of Financial Management. It is an advanced goal compared to profit maximization. One incorrect decision may lead company to be bankrupt. Maintaining proper cash flow is a short run objective of financial management. It is necessary for operations to pay the day-to-day expenses e. A good cash flow ensures the survival of company. Minimization on capital cost in financial management can help operations gain more profit. Businesses make forecast on funds needed in both short run and long run, hence, they can improve the efficiency of funding. The estimation is based on the budget e. Determining the Capital Structure: Capital structure is how a firm finances its overall operations and growth by using different sources of funds. A good investment plan can bring businesses huge returns. To assertain maximum profit as well as maintain the core value of the organization Financial Management for Start Up[edit] For new enterprises, it is important to make a good estimation on costs, sales. There are fixed and current sides of assets balance sheet. Fixed assets refers to assets that cannot be converted into cash easily, like plant, property, equipment etc. Corporate finance , a branch of finance concerned with monetary resource allocations made by corporations Financial management for IT services , financial management of IT assets and resources Financial Planning Association , an organization for finance and economics students and professionals Financial Management Service , a bureau of the U. Treasury which provides financial services for the government [8].

Chapter 3 : Top 20 Retail Management Software - Compare Reviews

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Ask a dozen retailers "What is merchandise planning? This is because it can be difficult to limit, and therefore to define, its scope. If we are going to create a short definition of the term it will have to be a generalised one. That way we can apply it to the whole range of activities that our twelve experts would include. Merchandise Planning then is "A systematic approach. It is aimed at maximising return on investment, through planning sales and inventory in order to increase profitability. It does this by maximising sales potential and minimising losses from mark - downs and stock - outs. It is a "systematic approach" in many ways. You need the systems to ensure that you have the right people, the right processes and the right computerised support. Without the people and processes you will get nowhere. The software available is merely an enabler - the final piece of a jigsaw. It is "aimed at maximising return on investment", but where is this investment made? Most obviously we are talking about a financial outlay in stock, but less evidently there is also considerable financial investment in retail space, people and corporate infrastructure. Again, whilst financial investment is the most obvious type, we should not overlook the "opportunity cost" of the investment in time that is required by planning. We achieve the goals "through planning sales and inventory". These two elements are inextricably linked and finding an optimum balance is the key to retail success. We are doing more here, though, than merely calculating a purchase quantity. We need to balance carefully the requirement to support sales with the constraints and tensions imposed by store layouts and warehousing and transportation issues. We put the effort into Merchandise Planning "in order to increase profitability". Profitability is the key driver of most businesses. Effective merchandise planning delivers margin increases directly to the bottom line. We achieve the increase in profitability "by maximising sales potential and minimising losses from mark - downs and stock - outs". There are two major areas of profit leakage in retail. Firstly lost sales resulting from lack of stock and secondly forced margin reductions due to excessive stock. If we can provide systems that can help us to identify and support the winners whilst diverting resources from the losers that suck the profit from the business then we shall be successful. What is equally important it that this profit increase can be delivered in a sustained way. That is "Merchandise Planning". Company registered in the UK - Registration No. Web Design by Lytham Design - Email.

Chapter 4 : FINANCIAL MERCHANDISE MANAGEMENT by Phia Rauma on Prezi

*Financial Merchandise Management A retailer specifies which products are purchased, when products are purchased, and how many products are purchased * Dollar control involves planning and monitoring a retailerÂ¶s investment in merchandise over a stated period * Unit control relates to the quantities of goods a retailer handles during a stated.*

Chapter 5 : Financial management - Wikipedia

Financial Merchandise Management A retailer specifies which products are purchased, when are they purchased and how many products are purchased. Dollar Control: involves planning and monitoring a retailers financial investment in merchandise over a stated period of time.

Chapter 6 : PPT - Financial Merchandise Management PowerPoint Presentation - ID

Financial Merchandise Management Occurs when a retailer specifies exactly which products (goods and services) are purchased, when products are purchased, and how many products are purchased. Flea Market Location where many vendors offer a range of products at discount prices in plain surroundings.

Chapter 7 : Merchandise & Assortment Planning - Aptos

The line's booming popularity has expanded from its initial T-shirts and pants concept to include such diverse logo-emblazoned merchandise as baseball caps and shoes.

Chapter 8 : blog.quintoapp.com | Beginners' Guide to Financial Statement

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Chapter 9 : What is Merchandise Planning

6 MERCHANDISE MANAGEMENT. 1 MERCHANDISE MANAGEMENT Definition The planning and implementation of the acquisition, handling and monitoring of merchandise categories for an identified retail organization.