

FINANCIAL ANALYSIS - METHOD OF INVESTMENT ASSESSMENT

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Abstract

Financial analysis is a method of substantiation decisions in private sector. The paper aims to answer the following questions: Which are the stages of financial analysis? Which are the indicators used in the analysis financially? Which are the limits of economic efficiency indicators to determine whether the investment is profitable or not? The answer to these questions was based on the analysis and evaluation of investment projects in agriculture, calculating the following indicators: the investment, operating income, operating expenses, operating income rate, payback period, return on invested capital the cash flow coverage ratio, leverage ratio in the medium and long term, net present value, available cash at the end of the period.

Keywords: investment, financial analysis, indicator
