

FINANCIAL PERFORMANCE ANALYSIS OF A BUSINESS UNIT

(A STUDY AT JAYAM PROPERTIES & DEVELOPER)

Abstract

Financial performance analysis is an important process for understanding the financial position, profitability, cost management and overall performance of a business unit. This study aims to analyze the financial performance of Jayam Properties & Developer and to understand the factors influencing its financial position and business performance. The study focuses on income, expenditure, profitability, liquidity, working capital management, financial planning and the role of financial analysis in managerial decision-making.

A descriptive research design was adopted for the study. Primary data were collected through a structured questionnaire from 100 respondents selected using convenience sampling. Secondary data were collected from company records, books, journals, websites, annual reports and other relevant sources. The collected data were analyzed using percentage analysis, reliability analysis and chi-square analysis. The study found that the financial position of the business unit is generally satisfactory, although there is scope for improvement in cost control, working capital management, receivable management and financial planning. The study suggests regular financial review, effective budgeting, cost control and proper maintenance of financial records for improving future financial performance.

Introduction

The real estate sector is one of the important sectors of the Indian economy and contributes to residential, commercial and infrastructural development. The industry is influenced by urbanization, population growth, rising income, infrastructure development, interest rates and changing customer expectations. Digital technology and business analytics have also improved property promotion, documentation and business management.

Jayam Properties & Developer is a real estate agency operating in Pozhichalur, Pallavaram, Chennai. The company is mainly involved in construction, land sales and real estate consultancy services. It provides residential and commercial property solutions and assists customers with property verification, documentation, registration and transaction support.

Financial performance analysis helps an organization understand its income, expenditure, profitability, liquidity and financial stability. In the real estate industry, where significant investments and operating costs are involved, financial analysis is important for effective resource utilization and managerial decision-making. Therefore, this study analyses the financial performance of Jayam Properties & Developer and identifies areas for improvement.

Review of Literature

Ahmed and Rahman (2023) studied financial statement analysis and found that financial statements and ratio analysis help management understand the financial position of a company and support decision-making.

Cuervo (2023) examined the application of artificial intelligence in financial performance and highlighted its importance for financial forecasting and profitability analysis.

Roy and Ghose (2023) studied working capital management and financial performance of Indian real estate companies. The study emphasized the importance of managing receivables, inventory and payables for improving financial performance.

Tenri Waru, Buana, Alam and Bakri (2024) found a positive relationship between liquidity management and profitability, indicating that effective liquidity management contributes to financial performance.

Singh (2024) analyzed financial performance and risk using profitability, liquidity and solvency ratios such as ROE, ROA, current ratio and debt-equity ratio.

Denzongpa and Shrivastava (2025) identified ROCE, liquidity and inventory turnover as important indicators for evaluating the financial performance of real estate firms.

Hatkar and Sidana (2025) highlighted the importance of cash-flow prediction, inventory management and accounts receivable collection in improving profitability and efficiency.

Keywords

Financial Performance, Real Estate, Profitability, Liquidity, Working Capital, Financial Management, Cost Control, Financial Analysis.

Research Methodology

The study adopted a descriptive research design to analyze the financial performance of Jayam Properties & Developer. The study used both primary and secondary data.

Primary Data: Primary data were collected through a structured questionnaire from 100 respondents. The questionnaire focused on financial performance, profitability, financial stability, cost control, working capital and financial management practices.

Secondary Data: Secondary data were collected from company records, books, journals, websites, annual reports and other relevant published sources.

Sampling Technique: Convenience sampling was used to select 100 respondents based on their availability and willingness to participate.

Analysis Tools: Frequency and percentage analysis, Cronbach's Alpha reliability analysis and chi-square tests were used for analyzing the collected data. Microsoft Excel and SPSS were used for data processing and analysis.

Findings

1. The overall financial position of the business unit was found to be satisfactory, although there is scope for improving profitability and financial performance.

2. Effective financial planning was identified as an important factor in maintaining financial stability.
3. Inconsistencies in income and expenditure flows can affect these overall profit of the business.
4. Operating expenses have a significant influence on profit margins, making cost control important.
5. Effective working capital management is necessary for maintaining adequate liquidity.
6. Proper management of current assets and current liabilities can improve the liquidity position of the business.
7. Timely collection of receivables is important for maintaining a steady cash flow.
8. Regular financial ratio analysis can help management understand the financial position of the business.
9. Proper budgeting and forecasting can help reduce unnecessary expenditure.
10. The study indicates that effective utilization of resources can contribute to improved business performance and profitability.

Suggestions

1. Management should prepare budgets regularly and compare actual performance with budgeted performance.
 2. Unnecessary operating expenses should be reduced without affecting the quality of operations.
 3. The company should improve its receivable management system to maintain steady cash flow.
 4. Greater attention should be given to working capital management.
- statistically significant association between gender and perceived improvement in financial performance among the respondents.

2. Gender and Financial Stability

H_0 (Null Hypothesis): There is no significant association between gender and financial stability.

H_1 (Alternative Hypothesis): There is a significant association between gender and financial stability.

CHI-SQUARE TEST

TEST VALUE	df.	SIG (P-VALUE)
19.390	8	0.013

INTERPRETATION

The significance value is 0.013, which is less than 0.05. Hence, the null hypothesis is rejected. This shows that there is a statistically significant association between gender and financial stability among the respondents.

References

1. Pandey, I. M. (2021). Financial Management. Vikas Publishing House.
2. Khan, M. Y., & Jain, P. K. (2018). Financial Management: Text, Problems and Cases. McGraw Hill Education.
3. Chandra, P. (2019). Financial Management: Theory and Practice. McGraw Hill Education.
4. Maheshwari, S. N. (2019). Financial Management: Principles and Practice. Sultan Chand & Sons.
5. Kothari, C. R., & Garg, G. (2019). Research Methodology: Methods and Techniques. New Age International Publishers.

5. Financial ratios should be calculated and reviewed regularly.
6. The company should focus on improving its profit margins.
7. Cash-flow forecasting should be carried out to anticipate future financial requirements.
8. Financial statements should be considered while making important managerial decisions.
9. Regular financial performance reviews should be conducted to identify negative trends at an early stage.
10. Proper financial records should be maintained for future analysis and decision-making.

Data Analysis and Interpretation

1. Gender and Improvement in Financial Performance

H_0 (Null Hypothesis): There is no significant association between gender and improvement in financial performance.

H_1 (Alternative Hypothesis): There is a significant association between gender and improvement in financial performance.

CHI-SQUARE TEST

TEST VALUE	df	SIG (P-VALUE)
16.702	8	0.033

INTERPRETATION

The Pearson Chi-Square significance value is 0.033, which is less than 0.05. Therefore, the null hypothesis is rejected. This indicates that there is a relationship between gender and improvement in financial performance

Web Links

- Microsoft Excel – <https://www.microsoft.com/microsoft-365/excel>
- IBM SPSS Statistics – <https://www.ibm.com/products/spss-statistics>
- Ministry of Housing and Urban Affairs – <https://mohua.gov.in/>
- Reserve Bank of India – <https://www.rbi.org.in/>
- Ministry of Finance, Government of India – <https://www.finmin.gov.in/>