

Research on the Application of Industry Finance Integration Analysis in the Teaching Process of Financial Analysis

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Abstract : The traditional financial analysis methods for enterprise analysis and judgment can not meet the needs of report users. Therefore, this paper studies the method of judging enterprise strategy through report data. Taking the centralized management and decentralized management adopted by the group company in monetary fund management as an example, this paper expounds the business model of centralized and decentralized management through three steps. The first step is to explain the characteristics of business activities; The second step is to restore the accounts required by the enterprise's accounting process, extract these accounts or report items, and prepare tables for analysis; The third step is to fill in the data in the form and analyze it to get a conclusion. In this process, the restoration of accounting is the most important step, and guide students to analyze the financial statements through the above steps.

Keywords : Industry Finance Integration; Financial Analysis; Group Company Financial Management

1. Introduction

In the process of learning financial analysis, students often directly calculate the asset liability ratio, current ratio and various asset turnover rates of enterprises through report data. Gross profit margin and roe ratio judge the solvency, operation ability, profitability and future development ability of the enterprise. These ratios are the product of financial analysis in industrialized societies. Now the society has developed into the Internet era, and many indicators are inappropriate. In addition, financial statement analysis also needs new means to better interpret the statement information. Therefore, a new perspective is needed to analyze enterprise reports. This paper attempts to analyze the enterprise by analyzing the enterprise strategy.

2. Three directions of financial statement analysis

The direction of financial analysis is divided into three. The first direction is to analyze the solvency, operation ability, profitability and future development ability of the enterprise according to the enterprise's financial report; The second direction is to judge whether the enterprise has carried out financial fraud, accounting manipulation and earnings management according to the enterprise's statements; The third direction combines the business and finance of the enterprise to judge the strategic operation of the enterprise. The first direction and the second direction are mainly based on the report information and can be basically judged by using the formula. The third direction requires the combination of business information and financial information. Judging the enterprise's strategy needs the enterprise's business situation. Therefore, it is necessary to restore the enterprise's financial information to the enterprise's business situation.

How to analyze the business of an enterprise? In the teaching process, general production needs to be divided into three steps. The first step is to explain the relevant business activities of the enterprise; The second step is to interpret the accounting information as business conditions and analyze which report items we should analyze; The third step is to extract the relevant account data of the parent company's report and consolidated report. For example: when we judge that the enterprise is centralized

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management and decentralized management, and explain according to the above steps.

3. Judging the centralized and decentralized management of monetary funds through financial analysis

In the first step, we first introduce the concepts of centralized management and decentralized management and the background of centralized management and decentralized management. The need of enterprise centralized management and the main measures of centralized management. Centralization is conducive to strict supervision by superiors, the construction of stable organizational order, and the concentration of organizational resources to accomplish the key goals of the organization, the management of large-scale projects and comprehensive affairs, and organizational discipline. However, centralized management also has its shortcomings. For example, centralized management can inhibit the enthusiasm, initiative and creativity of subordinate organizations and managers, easily make subordinates depressed, and may damage the efficiency of decision-making. Therefore, we need to first judge whether the enterprises we analyze have adopted centralized management to analyze the advantages and disadvantages of enterprises in management, so as to lay a good foundation for further understanding of enterprises. Through the parent company's statements and consolidated statements, we can judge the differences in fund management, fund-raising and its management whether centralized management has been adopted in management.

The second step is to restore the accounting process of the enterprise. Through the accounting process, we can think about the centralized management of enterprises usually need to do what accounting business, what is the impact of these accounting business statements, which statement items should be analyzed, taking the centralized management of funds as an example. The parent company conducts centralized management of funds and usually adopts account management. That is, subsidiary income is funneled into the account of the parent company. Or, if the parent company does not have account management for the subsidiary, but the subsidiary regularly transfers its own funds to the parent company. The accounting treatment of the parent company is the same in both cases. Namely, When the parent company receives the funds from the subsidiary, it will usually record the increase in the debt of the subsidiary. At the same time, the bank deposits of the parent company increased. Whether the parent company provides financial support to the subsidiary. If the parent company provides financial support to the subsidiary, it will usually be completed through other receivables. The accounting entries for the centralized management of funds by the parent company are:

Debit: monetary fund

Credit: other payables

Therefore, when making judgment, we should choose other accounts payable and monetary funds.

The accounting entries in which the parent company provides financial support to subsidiaries are:

Debit: other receivables

Credit: monetary capital

Therefore, when making judgment, we should choose other accounts payable, other receivables and monetary funds.

If other accounts payable in the consolidated statement are smaller and smaller, it indicates that the creditor's rights of the parent company to its subsidiaries have been offset in the process of preparing the consolidated statement. If the funds of subsidiaries are handed over to the parent company for centralized management, the parent company shall integrate the funds of subsidiaries. Otherwise, it means that the parent company has not integrated the funds of its subsidiaries. If other receivables are smaller when consolidated, that is, if the amount of other receivables in the consolidated report is greater than that in the parent company's report, it means that the parent company supports the subsidiary company in funds. Otherwise, it means that the parent company does not support the subsidiary in terms of capital.

The third step is to extract data from the report for analysis, taking the monetary fund management of Ningbo United Company as an example.

Table 1. Data of some assets and liabilities of Ningbo United in 2019 Unit: Yuan

Project	December 31, 2019		December 31, 2018	
	Number of consolidation	Number of parent companies	Number of consolidation	Number of parent companies
Monetary Fund	2,060,389,745.68	147,537,488.50	1,044,469,631.59	86,036,962.37

Project	December 31, 2019		December 31, 2018	
	Number of consolidation	Number of parent companies	Number of consolidation	Number of parent companies
Other receivables	68,863,837.25	597,551,400.00	80,805,924.60	402,380,392.25
Other payables	473,175,087.71	4,330,444.85	759,200,290	9,941,875.06

From the above data, we can conclude that in 2018, the other receivables of the items in the consolidated statements are smaller than those of the parent company, and the smaller the consolidation is, indicating that the parent company provides financial support to the subsidiaries. From the perspective of other accounts payable, the data in the consolidated report is higher than that of the parent company. Therefore, the parent company does not integrate the funds of the subsidiaries, and the subsidiaries do not turn over the funds to the parent company. It is judged that the parent company's fund management mode for subsidiaries is: The parent company has fund support for subsidiaries, but does not integrate funds for subsidiaries.

4. Conclusion

In the process of financial analysis, teachers inspire students to analyze the enterprise strategy through statements. This will help report users understand the whole enterprise and make decisions on whether to invest or not, which is of great significance. In the process of restoring business, you also need to redo the accounting process. This will help students find out the report items, then make the analysis table according to the report items. Through the analysis of the data in the table, we can draw a conclusion. In the process of industry finance integration analysis, students are inspired to restore financial activities to business activities. Accounting is an important connection point between business analysis and financial analysis.

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