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THE IMPORTANCE OF ECONOMIC FINANCIAL ANALYSIS IN MANAGING A BUSINESS

PALFI ALEXIA MELANIA¹, ROȘCA ROXANA MARIA¹, ROTARIU LIA¹, TONEA ELENA^{*1}

University of Life Sciences "King Mihai I" from Timișoara, Faculty of Management and Rural Tourism

*Corresponding author's e-mail: elenatonea@usvt.ro

Abstract: *Economic and financial analysis of a company is a complex process that highlights the strengths and weaknesses of the business from an economic point of view. At the same time, the financial economic analysis provides an overview regarding the use of human, material, informational and financial resources in the production and marketing process.*

• Introduction

The economic-financial analysis is an essential tool for the efficient management of any business, regardless of its size or field of activity. It provides a detailed picture of the company's financial performance, allowing managers and entrepreneurs to assess the financial health of the business, identify strengths and weaknesses, and make informed decisions to optimize resources and increase profitability.

Through economic-financial analysis tools such as the profit and loss account, balance sheet, organizational chart, etc., economic-financial analysis helps assess the company's ability to meet its short-term and long-term obligations, as well as to establish strategies for business planning and development.

In the context of starting a business, economic-financial analysis is an essential process as it provides valuable information for making strategic decisions and supports the necessary forecasting planning to anticipate and manage risks.

• Material and method

We conducted a quantitative research among students, aiming to gather their opinions, or those of future entrepreneurs, regarding the importance of conducting economic-financial analysis.

The research method used was a survey based on a questionnaire.

• Results and discussions

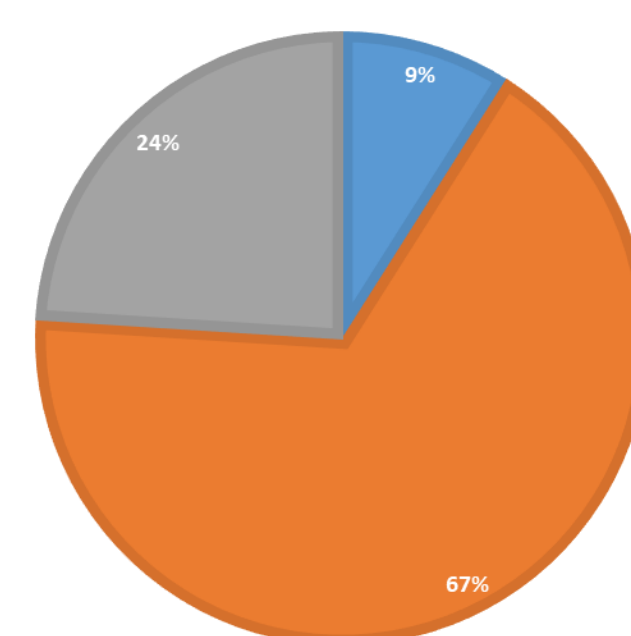


Figure 1. How many students own a business

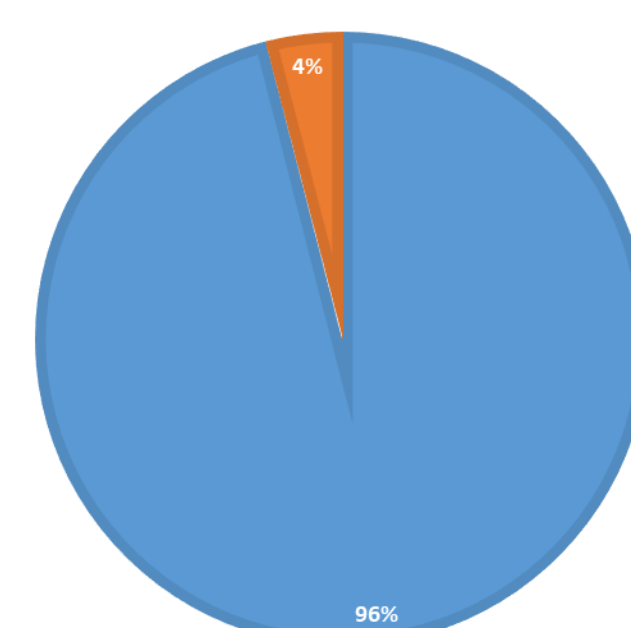


Figure 2. Strengths and weaknesses of a business

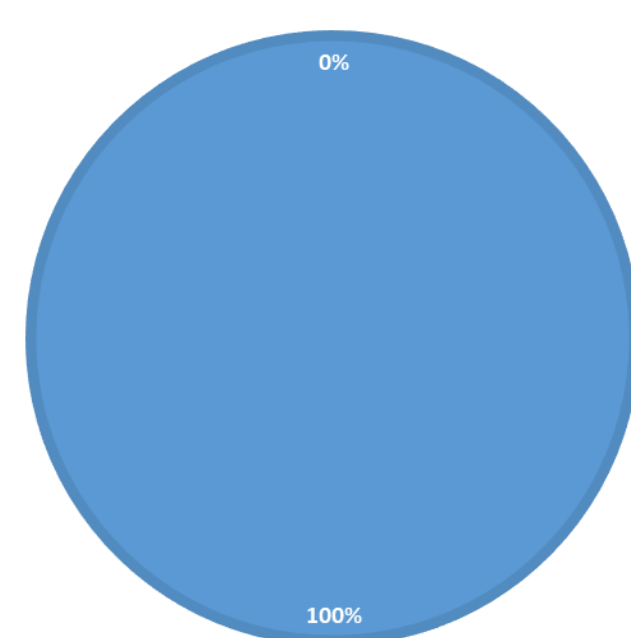


Figure 3. Importance of accounting information in the adoption of business planning and development strategies

• Conclusions

In conclusion, based on the interpretation of the results from the questionnaire, we can affirm that students understand and have a clear vision regarding the importance of economic-financial analysis in managing a business.

Additionally, the students who participated in this survey recognize that utilizing all the resources and tools available to a business can lead to its success.

Moreover, both for those who own a business and those who wish to establish one in the future, the responding students have a clear perception of forecasting analysis, as well as the implementation of business planning and development strategies with the help of accounting information.