PROFITABILITY TREND ANALYSIS OF SELECT PRIVATE SECTOR PHARMACEUTICAL INDUSTRIES IN INDIA

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ABSTRACT

In profitability analysis the direction of change over a period of time is crucial importance. Emphasizing the importance of analysis of profitability trends, Man Mohan and Goyal1 have pointed out that, analysis of profitability trends provides a base to judge whether the practice and prevailing policy of the management with regard to profitability is good enough or an improvement is to be made in managing the profitability funds. Further, any one trend by itself is not very informative and therefore, comparison with related trends should also be made by an analyst. An upward trend in profitability, coupled with a downward trend in sales would usually reflect an unfavorable situations; an upward trend of current assets, in concert with a downward trend of current liabilities, would usually be viewed favorably.

KEYWORDS: Pharmaceutical Industries, India

References