PAPER - 11 : FINANCIAL MANAGEMENT AND BUSINESS DATA ANALYTICS

SUGGESTED ANSWERS

SECTION - A

1.

(i) (D)

(ii) (C)

(iii) (A)

(iv) (D)

(v) (D)

(vi) (B)

(vii) (C)

(viii) (B)

(ix) (C)

(x) (C)

(xi) (B)

(xii) (A)

(xiii) (C)

(xiv) (D)

(xv) (D)

SECTION - B

2. (a)

Credit rating is the assessment of a borrower's credit quality. It is the assessment carried out from the viewpoint of credit-risk evaluation on a specific date, on the quality of a (i) specific debt security issued, or (ii) obligation undertaken by an enterprise (term loan etc.).

The steps involved in the Credit Rating are:

1. **Rating Request:** The Customer (Prospective issuer of Debt Instrument) makes a formal request to the Rating Agency. The request spells out the terms of the rating assignment and contains analysis of the issues viz. historical performance, competitive position, business risk profile, business strategies etc.

2. **Formation of Rating Team:** The rating process is initiated once a rating agreement is signed between Rating Agency and the client. Then the credit rating agency forms a team, whose composition is based on the expertise and skills required for evaluating the business of the issuer. The client is then provided with a list of information required and the broad framework for discussions.

3. **Initial Analysis:** On the basis of the information gathered, the analysts submit the report to the Rating team. The authenticity and validity of the information submitted influences the credit rating activity.

4. **Evaluation by Rating Committee:** Rating Committee is the final authority for assigning ratings. The rating team makes a brief presentation about the issuers' business and the management. All the issues identified during discussions stage are analysed.

5. **Actual Rating:** Rating is assigned and all the issues, which influence the rating, are clearly spelt out.

6. **Communication to Issuer:** Assigned rating together with the key issues is communicated to the issuer's top management for acceptance. the ratings, which are not accepted, are either rejected or reviewed. The rejected ratings are not disclosed and complete confidentiality is maintained.

7. **Review of Rating:** If the rating is not acceptable to the issuer, he has a right to appeal for a review of the rating. These reviews are usually taken up, only if the issuer provides fresh inputs on the issues that were considered for assigning the rating. issuer's response is presented to the rating committee. If the inputs are convincing, the committee can revise the initial rating decision.

8. **Surveillance / Monitoring:** credit rating agency monitors the accepted ratings over the tenure of the rated instrument. Ratings are reviewed every year, unless warranted earlier. During this course, the initial rating could be retained, upgraded or downgraded.

2. (b)

Prescriptive analytics goes one step farther than descriptive and predictive analysis by advising the best potential business actions. This is the most sophisticated step of the business analytics process, needing significantly more specialised analytics expertise to execute; as a result, it is rarely utilised in daily company operations.

A multitude of approaches and tools – such as rules, statistics, and machine learning algorithms – may be used to accessible data, including internal data (from within the business) and external data, in order to produce predictions and recommendations (such as data derived from social media). The capabilities of machine learning dwarf those of a human attempting to attain the same outcomes.

The widespread misconception is that predictive analytics and machine learning are same. While predictive analytics uses historical data and statistical techniques to make predictions about the future, machine learning, a subset of artificial intelligence, refers to a computer system's ability to understand large and often enormous amounts of data without explicit instructions, and to adapt and become increasingly intelligent as a result.

Predictive analytics predicts what, when, and, most importantly, why something may occur. After analysing the potential repercussions of each choice alternative, suggestions may be made regarding which options would best capitalise on future opportunities or reduce future hazards. Prescriptive analytics predicts future outcomes and, by doing so, enables decision-makers to assess the potential consequences for each future outcome before making a choice.

Effectively conducted prescriptive analytics may have a significant impact on corporate strategy and decision making to enhance production, customer experience, and business success.

Advantages and disadvantages of prescriptive analytics

When optimized correctly, prescriptive analytics gives important insights for making the most optimal data-driven decisions to optimize corporate performance. Nonetheless, similar to predictive analytics, this technique requires enormous volumes of data to deliver effective findings, which is not always the case.

In addition, the machine learning techniques frequently used in this study cannot consistently account for all external variables. On the other hand, machine learning significantly minimizes the likelihood of human mistake.

3. (a)

(i) Current ratio = 2

Current Assets = 2 Current Liabilities

So, Working Capital = Current Liabilities = 40000

Current Assets is = 2 x 40,000 = ₹80,000

(ii) Liquid Ratio $= \frac{\text{Liquid Assets}}{\text{Current Liabilities}} = 1.4 = \frac{\text{Liquid Assets}}{₹\ 40{,}000} = 1.4$

Liquid Assets = ₹40,000 x 1.4 = ₹56,000

Stock = Current Assets - Liquid Assets = Rs.80,000 - ₹56000 = ₹24000

(iii) Stock Turnover Ratio $= \frac{\text{Cost of Goods Sold}}{\text{Av. Stock}} = 5 = \frac{\text{Cost of Goods Sold}}{₹\ 24{,}000} = 5$

Cost of Goods Sold = ₹24,000 x 5 = ₹1,20,000

(iv) Fixed Assets Turnover Ratio $= \frac{\text{Cost of Goods Sold}}{\text{Fixed Assets}} = 2$

Fixed Assets $= \frac{\text{Cost of Goods Sold}}{2} = \frac{\text{Rs.1,20,000}}{2} = ₹60{,}000$

(v) Gross Profit Ratio $= \frac{\text{Gross profit}}{\text{Sales}} \text{x} 100 = 20\%$

Therefore, Cost of Goods Sold Ratio = 100−20% = 80%

Sales = ₹1,20,000 x $\frac{100}{80}$ = ₹1,50,000 = Credit sales

(vi) Debtors Velocity = 73 days.

So, Debtors turnover ratio is $= \frac{365 \text{ days}}{73} = 5$ times

Debtors Turnover Ratio $= \frac{\text{Credit Sales}}{\text{Closing Debtors}} = 5$ times

Therefore, Closing Debtors $= \frac{\text{Credit Sales}}{\text{Debtors Turnover Ratio}} = \frac{\text{Rs.1,50,000}}{5} = ₹30{,}000$

(vii) Bank/Cash = Liquid Assets − Debtors = ₹56,000 − ₹30,000 = ₹26,000

(viii) Fixed Assets to Shareholder's Net Worth $= \frac{\text{Fixed Assets}}{\text{Shareholders Networth}} = 0.80$

Shareholders' Net Worth $= \frac{\text{Fixed Assets}}{0.80} = \frac{\text{Rs.60,000}}{0.80} = ₹75{,}000$

(ix) Reserve and Surplus to Capital = 0.25: 1

Shareholder's Net Worth = Share Capital + Reserve and Surplus

₹75,000 = 1 + 0.25

Share Capital $= \frac{\text{Rs.75,000 x1}}{1.25} = ₹60{,}000$

Reserve and Surplus $= \frac{\text{Rs.75,000 x .25}}{1.25} = ₹15{,}000$

A Ltd.

BALANCE SHEET as on 31st March, 2025

Liabilities	Rs.	Assets	Rs.
Share Capital	60,000	Fixed Assets	60,000
Reserve and Surplus	15,000	Stock	24,000
Current Liabilities	40,000	Debtors	30,000
Long-term Loans (Balancing Figure)	25,000	Bank/Cash	26,000
	1,40,000		1,40,000

3. (b)

Cash Flow from Financing Activities

Particulars	₹
Proceeds from Issue of Equity Share Capital	1,00,000
Proceeds from Issue of 10% Preference Share Capital	1,00,000
Cash paid for Redemption of 9% Debentures (50,000 × 105%)	(52,500)
Interest paid on Debentures	(13,500)
Interim Dividend paid	(75,000)
Final Dividend paid	(2,50,000)
Net Cash Used in Financing Activities	(1,91,000)

Workings:

1. Proceeds from issue of equity shares = (1600000 – 1000000) – 500000 (bonus issue) = ₹100000
2. Proceeds from issue of preference shares = 300000 – 200000 = ₹100000
3. Payment for redemption of debentures = (150000 – 100000) x 105% = ₹52500
4. Final dividend paid = 300000 – 50000 = ₹250000

4. (a)

Common Size Income Statement

For the year ended on 31st March 2026 and 2025

Particulars	2026 (₹)	2025 (₹)	2026 (%)	2025 (%)
Sales	8,16,000	6,56,500	102.00	101.00
Less: Sales returns & allowances	16,000	6,500	2.00	1.00
Net Sales	8,00,000	6,50,000	100.00	100.00
Less: Cost of goods sold	4,00,000	3,12,000	50.00	48.00
Gross Profit (A)	4,00,000	3,38,000	50.00	52.00
Selling Expenses	2,00,000	1,30,000	25.00	20.00
General Expenses	1,20,000	78,000	15.00	12.00
Total Operating Expenses (B)	3,20,000	2,08,000	40.00	32.00
Net Operating Income (A)−(B)	80,000	1,30,000	10.00	20.00
Add: Miscellaneous Income	6,400	6,500	0.80	1.00
Income before Tax	86,400	1,36,500	10.80	21.00
Less: Income Tax	32,000	67,600	4.00	10.40
Net Income after Tax	54,400	68,900	6.80	10.60

Significant observations from the Common Size Income Statement:

(i) The ratio of gross profit decreased from 52% to 50% because of an increase in the ratio of cost of goods sold. The company suffered ₹ 16,000 (i.e., 2% of ₹ 8,00,000) decrease in potential gross profit.

(ii) The rate of selling expenses rose from 20% to 25% while general expenses increased from 12% to 15%.

(iii) As a result, net operating income declined from 20% to 10%. A reduction in income tax expenses, however, improved the performance slightly.

4. (b)

(1) **Capital Structure of the firm for additional financing:**

Debt-equity ratio to be maintained = 30:70

Debt to be raised = 0.30 × 30,00,000 = ₹9,00,000

11% (before tax) Debt = ₹ 3,00,000

14% (before tax) Debt = ₹ 6,00,000

Equity = 0.70 × 30,00,000 = ₹21,00,000

Retained earnings available = ₹ 6,00,000

Additional Equity to be raised by issue of shares = ₹ 15,00,000

(2) **Determination of specific cost of capital:**

(i) Post tax cost of additional debt:

Kd = [Total Interest (1−t) / ₹9,00,000] × 100

$$= \frac{\{300000 \text{ x } 11\% + 600000 \text{ x } 14\%\}\ (1 - 0.30)}{900000} \text{ x } 100$$

$$= \frac{81900}{900000} \text{ x } 100$$

= 9.10%

(ii) Cost of equity and retained earnings:

Ke (under Dividend growth Model) $= \frac{\text{EPS} \times \text{Payout} \times (1+g)}{\text{MPS}} + g$

$$\text{Ke} = \frac{15 \times 0.70 \times (1+0.10)}{90} + 0.10$$

$$\text{Ke} = \frac{15 \times 0.70 \times (1+0.10)}{90} + 0.10$$

Ke = 22.83%

So, Kr = Ke = 22.83%

(iii) Weighted Average Cost of Capital

Sources of Capital	Amount (₹)	Weight	After Tax Cost	Weighted Cost (%)
Equity Capital	15,00,000	0.5	22.83%	11.415
Retained Earnings	6,00,000	0.2	22.83%	4.566
Debt	9,00,000	0.3	9.10%	2.730
Total	30,00,000	1.0		18.711

So, overall weighted average (after tax) cost of additional finance = 18.711%

5. (a)

Calculation of CFAT (Year 1 to 3)

Particulars	₹
Sales Revenue	4,00,000
(-) Operating cost excluding depreciation	2,00,000
(-) Depreciation [(600000 – 80000)/4]	1,30,000
PBT	70,000
(-) Tax @ 30%	21,000
PAT	49,000
(+) Depreciation	1,30,000
CFAT (Year 1 to 3)	1,79,000

Calculation of CFAT for 4th year

Regular CFAT	1,79,000
(+) Salvage value	80,000
(+) Recovery of working capital	1,00,000
CFAT	3,59,000

Calculation of NPV

Year	CFAT (₹)	PVIF @ 12%	PV of CFAT (₹)
1	1,79,000	0.893	1,59,847
2	1,79,000	0.797	1,42,663
3	1,79,000	0.712	1,27,448
4	3,59,000	0.636	2,28,324
Total PV			6,58,282
(-) Initial Investment (600000+100000)			7,00,000
NPV			(-) 41,718

Decision: Since NPV is negative, the project should not be accepted.

5. (b)

Calculation of CFAT for Machine X

Year	CFBT	Depreciation	PBT (ii)−(iii)	Tax 50% of PBT	CFAT (iv) – (v) + (iii)	Cumulative CFAT
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
	₹	₹	₹	₹	₹	₹
1	30,000	12,000 (60000/5)	18,000	9,000	21,000	21,000
2	24,000	12,000	12,000	6,000	18,000	39,000
3	22,000	12,000	10,000	5,000	17,000	56,000
4	20,000	12,000	8,000	4,000	16,000	72,000
5	14,000	12,000	2,000	1,000	13,000	85,000

Payback period = 3 + (60000 – 56000)/16000 = 3.25 Years

Calculation of CFAT for Machine Y

Year	CFBT	Depreciation	PBT (ii)−(iii)	Tax 50% of PBT	CFAT (iv) – (v) + (iii)	Cumulative CFAT
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
	₹	₹	₹	₹	₹	₹
1	42,800	14,000 (98000/7)	28,800	14,400	28,400	28,400
2	35,600	14,000	21,600	10,800	24,800	53,200
3	28,400	14,000	14,400	7,200	21,200	74,400
4	21,200	14,000	7,200	3,600	17,600	92,000
5	18,000	14,000	4,000	2,000	16,000	1,08,000
6	17,000	14,000	3,000	1,500	15,500	1,23,500
7	16,400	14,000	2,400	1,200	15,200	1,38,700

Payback period = 4 + (98000 – 92000)/16000 = 4.375 Years

Decision: Since Payback period is lower for Machine X, it should be accepted.

6. (a)

Statement Showing Working Capital Requirement
(If Debtors is calculated on the basis of Total Cost)

Particulars	Amount (₹)
Current Assets:	
Stock of Raw Material (1 month or 4 weeks): $(1{,}04{,}000 \times 80 \times \frac{4}{52})$	6,40,000
Work-in-progress (1/2 month or 2 weeks): $(104{,}000 \times 125 \times \frac{2}{52})$	5,00,000
Stock of finished goods (1 month or 4 weeks): $1{,}04{,}000 \times 170 \times \frac{4}{52}$	13,60,000
Debtors (2 months): $(104{,}000 \times 3/4 \times 170 \times \frac{8}{52})$	20,40,000
Cash in hand and at Bank	25,000
Total Current Assets (A)	45,65,000
Current Liabilities:	
Creditors for raw material (1 month): $(1{,}04{,}000 \times 80 \times \frac{4}{52})$	6,40,000
Creditors for Wages ($1\frac{1}{2}$ weeks): $(1{,}04{,}000 \times 30 \times \frac{3}{2} \times \frac{1}{52})$	90,000
Creditors for Overheads (1 month): $(1{,}04{,}000 \times 60 \times \frac{4}{52})$	4,80,000
Total Current Liabilities (B)	12,10,000
Working Capital (A – B)	33,55,000

Note: Cost of each unit of work-in-progress:

Raw Materials	₹80
Direct Wages (50% of ₹ 30)	₹15
Overheads (50% of ₹ 60)	₹ 30
	₹125

ALTERNATE SOLUTION :

Statement Showing Working Capital Requirement
(If Debtors is calculated on the basis of Selling Price)

Particulars	Amount (₹)
Current Assets:	
Stock of Raw Material (1 month or 4 weeks): $(1{,}04{,}000 \times 80 \times \frac{4}{52})$	6,40,000
Work-in-progress (1/2 month or 2 weeks): $(104{,}000 \times 125 \times \frac{2}{52})$	5,00,000
Stock of finished goods (1 month or 4 weeks): $1{,}04{,}000 \times 170 \times \frac{4}{52}$	13,60,000
Debtors (2 months): $(104{,}000 \times 3/4 \times 200 \times \frac{8}{52})$	24,00,000
Cash in hand and at Bank	25,000
Total Current Assets (A)	49,25,000
Current Liabilities:	
Creditors for raw material (1 month): $(1{,}04{,}000 \times 80 \times \frac{4}{52})$	6,40,000
Creditors for Wages ($1\frac{1}{2}$ weeks): $(1{,}04{,}000 \times 30 \times \frac{3}{2} \times \frac{1}{52})$	90,000
Creditors for Overheads (1 month): $(1{,}04{,}000 \times 60 \times \frac{4}{52})$	4,80,000
Total Current Liabilities (B)	12,10,000
Working Capital (A – B)	37,15,000

Note: Cost of each unit of work-in-progress:

Raw Materials	₹80
Direct Wages (50% of ₹ 30)	₹15
Overheads (50% of ₹ 60)	₹ 30
	₹125

6. (b)

Calculation of (i) Cost of Additional Investment in Receivables, (ii) Incremental Bad Debts and (iii) Net benefit of the company in relaxing its credit policy

Particulars	Existing	Proposed
Annual Sales (units)	50000	60000
Collection period (days)	30	60
Bad Debt percentage	1%	3%
	₹	₹
Annual Sales Value @ ₹ 20 per unit	10,00,000	12,00,000
Contribution @ ₹ (20-12) i.e., ₹8 per unit	4,00,000	4,80,000
Incremental Contribution (A)	--	80,000
Receivable = Annual sales × Collection period/360	83,333	2,00,000
Investment in receivable (at variable cost) = Receivable × VC/Sales	50,000	1,20,000
Additional investment in receivable	--	70,000
(i) Cost of additional investment in receivable @15%	--	10,500
Bad Debt = Annual sales × % of bad debt	10,000	36,000
(ii) Incremental Bad Debt	--	26,000
(iii) Net benefit = A – (i) – (ii)		43,500

ALTERNATE PRESENTATION :

Computation of Incremental Values

Particulars	ACP = 30 days	ACP = 60 days	Incremental Value (₹)
Sales Value @ ₹20 p.u.	10,00,000	12,00,000	2,00,000
Less: VC @ ₹12 p.u.	6,00,000	7,20,000	1,20,000
Contribution	4,00,000	4,80,000	80,000
Less: Bad Debt	10,000	36,000	26,000
Profit	3,90,000	4,44,000	54,000
Less: Opportunity Cost (Investment)	7,500	18,000	10,500
Net Benefit	3,82,500	4,26,000	43,500

Notes: Investment in Receivable

New Policy	⇒ 7,20,000 × 15% × 60 / 360	= ₹ 18,000
Old Policy	⇒ 6,00,000 × 15% × 30 / 360	⇒ ₹ 7,500
	∴ Incremental Opportunity Cost	₹ 10,500

Answers:

(i) Cost of additional Investment in receivables

⇒ ₹ 10,500

(ii) Incremental Bad Debt

⇒ ₹ 26,000

(iii) Incremental Net Benefit

⇒ ₹ 43,500

ALTERNATIVE ANSWER :

Evaluation of Proposed Credit Policy

Particulars	Present	New / Proposed	Incremental
Sales units	50,000	60,000	10,000
Sales Values	10,00,000	12,00,000	2,00,000
V. Cost	6,00,000	7,20,000	1,20,000
Contribution	4,00,000	4,80,000	80,000

Investment in Debtors and Related Costs:

Investment in debtors	(10,00,000 × 30/360)	(12,00,000 × 60/360)	
	83,333	2,00,000	1,16,667
Cost of Investment @ 15%	(83,333 × 15%)	(2,00,000 × 15%)	
	12,500	30,000	17,500
Bad debts	(10,00,000 × 1%)	(12,00,000 × 3%)	
	10,000	36,000	26,000

Summary:

Additional Contribution	80,000
(–) Add: Bad debts	26,000
(–) Cost of Investment	17,500
Net Contribution	36,500

As Fixed Cost information is not given, we have considered the Total Sales as Investment in Debtors.

7. (a)

The following table presents three alternative financing plans for raising a total capital of ₹25,00,000:

Particulars	Plan I	Plan II	Plan III
Equity Shares	20,00,000	-	-
Securities Premium	5,00,000	-	-
10% Preference Shares	-	25,00,000	-
8% Debenture	-	-	25,00,000
Total	25,00,000	25,00,000	25,00,000

Statement showing Profit available for Equity Shareholder, EPS & Market Price

Particulars	Present	Plan I	Plan II	Plan III
	₹	₹	₹	₹
EBIT	12,00,000	15,00,000	15,00,000	15,00,000
(-) Interest				
- Existing	(1,75,000)	(1,75,000)	(1,75,000)	(1,75,000)
- New	-	-		(2,00,000)
EBT	10,25,000	13,25,000	13,25,000	11,25,000
(-) Tax @ 35%	(3,58,750)	(4,63,750)	(4,63,750)	(3,93,750)
PAT	6,66,250	8,61,250	8,61,250	7,31,250
(-) Preference dividend				
- Existing	(2,25,000)	(2,25,000)	(2,25,000)	(2,25,000)

- New	-	-	(2,50,000)	-
Profit available to equity shareholders	4,41,250	6,36,250	3,86,250	5,06,250
No. of equity shares	40,000	60,000	40,000	40,000
EPS	11.03	10.60	9.66	12.66
P/E Ratio	-	20	17	16
Market Price (EPS × P/E Ratio)	-	212	164.22	202.56

Decision: Plan I (Equity) with the highest market price should be recommended.

7. (b)

Statement of Profitability

Particulars	Situation I				Situation II			
	Plan A (1,000 Units)		Plan B (1,000 Units)		Plan A (1,000 Units)		Plan B (1,000 Units)	
	Amt	P. U	Amt	P. U	Amt	P. U	Amt	P. U
	₹	₹	₹	₹	₹	₹	₹	₹
Sales	20,000	20	20,000	20	20,000	20	20,000	20
(-) Variable Cost	10,000	10	10,000	10	10,000	10	10,000	10
Contribution	10,000		10,000		10,000		10,000	
Fixed Cost	4,000		4,000		5,000		5,000	
EBIT	6,000		6,000		5,000		5,000	
(-) Interest								
(15000 ×10%)	1,500				1,500			
(5000 ×10%)			500				500	
EBT	4,500		5,500		3,500		4,500	
DOL = Contribution/EBIT	1.67		1.67		2.00		2.00	
DFL = EBIT/EBT	1.33		1.09		1.42		1.11	
DCL = DOL×DFL	2.22		1.82		2.84		2.22	

Decision: The most suitable plan is the plan where DOL is minimum, and DFL is maximum. Thus, under Situation 1, Plan A is most suitable.

8. (a)

By transforming the information into a process for quality decision making, the firm should achieve the following abilities:

(i) Logical understanding of a wide-ranging structured and unstructured data and put on that information to corporate planning, budgeting and forecasting and decision support

(ii) Predict outcomes more effectively compared to conventional forecasting techniques based on historical financial reports

(iii) Real time spotting of emerging opportunities and also capability gaps.

(iv) Making strategies for responding to uncertain events like market volatility and 'black swan' events through simulation.

(v) Diagnose, filter and excerpt value from financial and operational information for making better business decisions

(vi) Recognize viable advantages to service customers in a better manner

(vii) Identifying possible fraud possibilities on the basis of data analytics.

(viii) Building impressive and useful dashboards to measure and demonstrate success leading to effective strategies.

8. (b)

There are few strategic steps to include data visualisation in report design, as mentioned below:

1. **Find a story in the data:** Data-driven storytelling is a powerful tool. Finding a story that connects with the reader can help to create an effective report. It's also not that hard as it looks. In order to locate the story, one must arrange the data, identify any missing numbers, and then check for outliers. One may then view the data and examine the link between factors.

2. **Create a narrative:** When some individuals hear the term "data storytelling," they believe that it consists of a few statistics and that the task is complete. This is a frequent misconception that is false. Strong data storytelling comprises an engaging narrative that takes the audience through the facts and aids in their comprehension. Moreover, an explanation of the significance of these ideas is essential. To compose an excellent story, one must:

(i) Engage the viewer with a catchy title and subheadings.

(ii) Incorporate context into the data.

(iii) Create a consistent and logical flow.

(iv) Highlight significant discoveries and insights from the data.

3. **Choose the most suitable data visualisation:** Data visualisation is not limited to the creation of charts and graphs. It involves presenting the facts in the most comprehensible chart possible. Applying basic design principles and utilising features like as form, size, colour, and labelling may have a significant impact on how people comprehend the data. For instance, deciding the optimal number of slices for a pie chart or the space between bars in a bar graph. Knowing these tips may greatly improve the data visualisations.

4. **Follow the visual language:** The report design may be for internal or external consumption. Despite this, one should develop material consistent with the company's style guide. It is essential to adhere to data visualisation principles in order to achieve both uniformity and comprehension. A strategic methodology assists in implementation.

5. **Publicize the report:** Some reports are not intended for public consumption. However, since they include so much essential information, they may contain knowledge that is of interest to individuals or media outside of the business.