COVER PAGE AND DECLARATION

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Introduction

Financial Management is essential to the success of businesses and organizations as it make it easy to pave the way for the accomplishment of various corporate goals and objectives. The following is a list of some of the reasons why proper financial management is crucial in a company. When we were students, we all learned to budget our expenditures carefully and save money wherever we could. In the same way, organizations need to be able to efficiently manage their financial resources in order to grow and be successful. The following are some of the most important goals that organizations need to keep in mind at all times.

The goal of the Financial Management department is to improve efficiency throughout the whole organisation. The overall efficiency of the organisation can be improved by ensuring that all of the departments receive the appropriate amount of financial support or funds, taking into account the resources available and the amount of work involved.

It is common practice for organizations to share their budgetary data with partners, including investors and speculators. Organizations do this by providing annual spending plans that detail everything linked to the company's cash. These financial plans are used by theorists to forecast an organization's future profitability and rationality, but a strategy is nuanced by the board of directors. This article's goal is to analyze the many reports that an organisation produces in order to determine its budgetary outcomes. The organisation based in the United States, General Motors, has been chosen for assessment. The purpose of this research is to provide a comprehensive first evaluation of General Motors, taking into account the company's profitability, sufficiency, short-term and long-term dissolution, and market-based indicators. General Motors' financial slumps over the previous four years are taken into account here. Similar suggestions will be made to enhance the business of the organisation in light of assessment.

1. **Create a performance evaluation by analyzing the following performance measures**

General Motors

The American multinational organisation General Motors provides facilities for the assembly, planning, development, transportation, and sale of automobile components. Headquarters are in Detroit, Michigan, USA, although production facilities for Cadillac, GMC, Buick, and Chevrolet are spread throughout more than 15 nations. As a company with a history dating back more than a century, General Motors has a long-term goal to improve and enhance the quality of life for years everywhere. Roughly 180,000 people are employed by the business. Similarly, General Motors has made a highly unusual first impression by announcing plans to decrease its impact on the world's energy, carbon, water, and waste supplies.

General Motors has led the industry in unit revenues for the past 77 years and is currently one of the top automobile manufacturers worldwide. General Motors employs trustworthy local partners in most countries. OnStar's virtual general manager aid provides security and economic growth organizations.

vehicles. Saturn, Hummer, and Pontiac were all discontinued by General Motors in 2009. GM had other plans. The organization's annual pay has been paid out since 2010. Past events will serve as the contractual basis for future payments to fulfil obligations. The Wall Street Journal predicts that healthcare prices and other spending spurs would decline by up to USD 45 billion over the next 20 years. In 2010, General Motors was ranked second, having sent around 8.5 million vehicles worldwide. After an initial expansion in 2011 that saw it capture 11.9% of the general vehicle region's pay with a total of 9.025 million cars sold, GM has now narrowed its focus. General Motors president Dan Akerson stated in May 2013 during the company's basic address that the company is on pace to re-appear on the S&P 500 record. In 2009, GM was excluded from the slump negotiations. According to a CNN Money report from April 24 of that year, the GM advantage for the first three months of 2014 had shrunk to $108 million. As a result of defective starting drives linked to at least 124 deaths, GM estimates that the expense of their 2014 upgrade will be $1.5 billion. That General Motors is testing out a "connected, dependable, and autonomous" transportation future is made obvious by the company's explicit commitment to the round and its first foray into the ride-sharing industry. This section summarizes the show review of General Motors by delineating the many introductory metrics.

Income Statement

Year	2021	2020	2019	2018	2017	2016
Revenue	**127,004**	**122,485**	**137,237**	**147,049**	**145,588**	**149,184**
Revenue Growth (YoY)	3.69%	-10.75%	-6.67%	1.00%	-2.41%	9.92%
Cost of Revenue	109,126	108,813	123,265	132,954	127,357	130,153
Gross Profit	**17,878**	**13,672**	**13,972**	**14,095**	**18,231**	**19,031**
Selling, General & Admin	8,554	7,038	8,491	9,650	9,570	10,345
Other Operating Expenses	0	0	0	0	0	0
Operating Expenses	8,554	7,038	8,491	9,650	9,570	10,345
Operating Income	**9,324**	**6,634**	**5,481**	**4,445**	**8,661**	**8,686**
Interest Expense / Income	950	1,098	782	655	575	563
Other Expense / Income	-4,416	-2,665	-2,802	-4,698	417	-4,043
Pretax Income	**12,790**	**8,201**	**7,501**	**8,488**	**7,669**	**12,166**
Income Tax	2,771	1,774	769	474	11,533	2,739
Net Income	10,019	6,427	6,732	8,014	-3,864	9,427
Preferred Dividends	182	180	151	98	16	0
Net Income Common	**9,837**	**6,247**	**6,581**	**7,916**	**-3,880**	**9,427**
Net Income Growth	57.47%	-5.08%	-16.86%	-	-	-2.68%
Shares Outstanding (Basic)	1,451	1,433	1,424	1,411	1,465	1,540
Shares Outstanding (Diluted)	**1,468**	**1,442**	**1,439**	**1,431**	**1,492**	**1,570**
Shares Change	1.80%	0.21%	0.56%	-4.09%	-4.97%	-4.27%
EPS (Basic)	6.78	4.36	4.62	5.61	-2.65	6.12

EPS (Diluted)	6.70	4.33	4.57	5.53	-2.60	6.00
EPS Growth	54.73%	-5.25%	-17.36%	-	-	1.52%
Free Cash Flow Per Share	5.15	6.66	3.04	0.44	-2.48	-5.66
Dividend Per Share	-	0.380	1.520	1.520	1.520	1.520
Dividend Growth	-	-75.00%	-	-	-	10.14%
Gross Margin	14.10%	11.20%	10.20%	9.60%	12.50%	12.80%
Operating Margin	7.30%	5.40%	4.00%	3.00%	5.90%	5.80%
Profit Margin	7.70%	5.10%	4.80%	5.40%	-2.70%	6.30%
Free Cash Flow Margin	5.90%	7.80%	3.20%	0.40%	-2.50%	-5.80%
Effective Tax Rate	21.67%	21.63%	10.25%	5.58%	150.38%	22.51%

EBITDA	25,791	22,114	22,401	22,812	20,505	22,548	16,378
EBITDA Margin	20.30%	18.10%	16.30%	15.50%	14.10%	15.10%	12.10%
Depreciation & Amortization	12,051	12,815	14,118	13,669	12,261	9,819	7,487
EBIT	13,740	9,299	8,283	9,143	8,244	12,729	8,891
EBIT Margin	10.80%	7.60%	6.00%	6.20%	5.70%	8.50%	6.60%

Balance Sheet

Year	2021	2020	2019	2018	2017	2016
Cash & Equivalents	20,067	19,992	19,069	20,844	15,512	12,574
Short-Term Investments	35,258	35,255	30,775	32,816	28,834	27,968
Cash & Cash Equivalents	**55,325**	**55,247**	**49,844**	**53,660**	**44,346**	**40,542**
Cash Growth	0.14%	10.84%	-7.11%	21.00%	9.38%	-2.20%
Receivables	7,394	8,035	6,797	6,549	8,164	8,700
Inventory	12,988	10,235	10,398	9,816	10,663	11,040
Other Current Assets	6,396	7,407	7,953	5,268	5,571	15,921
Total Current Assets	**82,103**	**80,924**	**74,992**	**75,293**	**68,744**	**76,203**
Property, Plant & Equipment	79,044	77,451	80,805	82,317	80,241	68,055
Long-Term Investments	45,844	40,189	34,917	34,298	30,281	25,997
Goodwill and Intangibles	5,087	5,230	5,337	5,579	5,849	6,149
Other Long-Term Assets	32,640	31,400	31,986	29,852	27,367	45,286

Total Long-Term Liabilities	104,495	105,607	97,175	102,325	99,392	92,434
Total Liabilities	**178,903**	**185,517**	**182,080**	**184,562**	**176,282**	**177,615**
Total Debt	109,379	109,894	103,324	104,951	94,219	75,123
Debt Growth	-0.47%	6.36%	-1.55%	11.39%	25.42%	19.03%
Common Stock	27,076	26,556	26,088	25,577	25,385	26,998
Retained Earnings	41,937	31,962	26,860	22,322	17,627	26,168
Comprehensive Income	-9,269	-13,488	-11,156	-9,039	-8,011	-9,330
Shareholders' Equity	**59,744**	**45,030**	**41,792**	**38,860**	**35,001**	**43,836**
Total Liabilities and Equity	238,647	230,547	223,872	223,422	211,283	221,451
Net Cash / Debt	-54,054	-54,647	-53,480	-51,291	-49,873	-34,581
Net Cash / Debt Growth	-	-	-	-	-	-
Net Cash Per Share	-37.25	-38.13	-37.56	-36.35	-34.04	-22.46
Working Capital	7,695	1,014	-9,913	-6,944	-8,146	-8,978
Book Value Per Share	41.17	31.42	29.35	27.54	23.89	28.46

Cash Flow Statement

Year	2021	2020	2019	2018	2017	2016
Net Income	10,019	6,427	6,732	8,014	-3,864	9,427
Depreciation & Amortization	12,051	12,815	14,118	13,669	12,261	9,819
Other Operating Activities	-6,882	-2,572	-5,829	-6,427	8,931	-2,639
Operating Cash Flow	**15,188**	**16,670**	**15,021**	**15,256**	**17,328**	**16,607**
Operating Cash Flow Growth	-8.89%	10.98%	-1.54%	-11.96%	4.34%	41.11%
Capital Expenditures	-7,718	-7,134	-10,694	-14,633	-20,966	-25,325
Acquisitions	0	0	0	0	0	-804
Change in Investments	-8,002	-14,627	-343	-6,335	-3,243	-8,180
Other Investing Activities	-635	-65	138	205	-3,363	-1,334

Investing Cash Flow	**-16,355**	**-21,826**	**-10,899**	**-20,763**	**-27,572**	**-35,643**
Dividends Paid	-186	-669	-2,350	-2,242	-2,233	-2,368
Share Issuance / Repurchase	0	0	0	0	-4,492	-2,500
Debt Issued / Paid	406	6,141	-2,531	11,664	18,455	21,027
Other Financing Activities	1,524	80	204	2,032	854	918
Financing Cash Flow	**1,744**	**5,552**	**-4,677**	**11,454**	**12,584**	**17,077**
Net Cash Flow	**425**	**174**	**-553**	**5,648**	**2,688**	**-2,172**
Free Cash Flow	7,470	9,536	4,327	623	-3,638	-8,718
Free Cash Flow Growth	-21.66%	120.38%	594.54%	-	-	-
Free Cash Flow Margin	5.90%	7.80%	3.20%	0.40%	-2.50%	-5.80%
Free Cash Flow Per Share	5.15	6.66	3.04	0.44	-2.48	-5.66

Profitability

The main reason why any business exists. If the business is not making profitability, it will fail. Consequently, it is crucial to track profitability in the here and now and make predictions about where that profitability could go in the future.

Income and costs are the two key indicators of profitability. The term "income" is used to describe the activities generated as a result of running a business. Agriculture and livestock are two examples of cash crops that may be generated and sold to bring in income.

Borrowing activities, on the other hand, does not result in income for the business. This is a simple cash between the business and the lender to help the business with day-to-day operations or to acquire new assets.

The margin of error for General Motors has shrunk by 8 percent during the previous four years. In order to ascertain the extent to which it should have been viewed.

Gross Profit Margin

The Gross Profit Margin= (Revenue - COGS) ÷ Revenue

General Motors' gross margin was 12.75 percent in 2016, and 10.18 percent in 2019; which is a decrease of 20.15%. A negative margin indicates that the company is unable to keep expenses in check.

Operating Margin

The Operating Merging = Operating Profit ÷ Revenue

Operating Margin for GM fell from 5.8 in 2016 to 3.99 in 2019, a drop of 31.2%, indicating that the company is now selling for less than it is spending on materials and labour.

Margin of EBITDA

The EBITDA Margin = EBITDA ÷ Total Sales

As the EBITDA Margin for General Motors increased from 12.4042 in 2016 to 14.2811 in 2019, this suggests a pay of 15% in EBITDA Margin, which can be interpreted as a sign of lower working use and larger compensations at the organisation, indicating that General Motors receives a sufficient pay of improvement to cover its operating expenses.

Net Profit Margin

The Net Profit Margin = Net Profit ÷Revenue

General Motors' Net Profit Margin dropped from 6.319 in 2016 to 4.7954 in 2019, a 24.11% decrease that implies the company is generating less money than it is spending.

Return on Equity

Return on Equity = Net income ÷ Shareholder Equity

General Motors saw a 31% decline in its Return on Equity from 2016 to 2019, from 21.0301 to 14.507, indicating more of a difficulty than an increase in fantastic value to its speculators. This article focuses on thinkers and managers who are taking major precautions to prevent a detrimental return on an indispensable good.

Return on Assets

Return on Assets = Operating Income ÷ Total Assets

Return on Assets for General Motors fell from 4.1811 in 2016 to 2.9236 in 2019, a decrease of 30.07% that indicates the firm has tended to either increase its capital expenditures or decrease its profits.

Return on Investment

$$Return\,on\;Investment=\frac{Profit}{Initial\,Cost}$$

Return on investment for GM fell from 9.7158 in 2016 to 5.959 in 2019 (a decrease of 38.6%), indicating that the company lost money on its investments and now has fewer resources than it would have had it done nothing with its assets. The numbers demonstrate that GM's profit margin has shrunk and will keep shrinking unless the company takes action.

Efficiency

Any venture that wants to succeed in today's finance must pay close attention to its finances. An organization's financial activities need to be meticulously planned, scheduled, and orchestrated for effective finance management. Effective financial management employs tried and true managerial techniques to ensure maximum productivity across all commercial operations, from securing funding to carrying out projects. All of them are essential for maximizing profits and avoiding financial ruin.

The following plans are used to determine a company's potential:

Asset Turnover Ratio

Asset Turnover Rati0 = Sales ÷ The Total Assets

General Motors' Asset Turnover Ratio was 0.6729 in 2016 and 0.6018 in 2019, a 4.3% increase over the course of four years demonstrating that the company is converting 4.3% more of its assets into deals.

Inventory Turnover Ratio

Inventory Turnover Ratio = COGS ÷ Average Inventory

General Motors' inventory turnover ratio went from 11.79 in 2016 to 11.85 in 2019, a 0.5% rise showing a wider opportunity for stock turnover. As a result, they are in a stronger negotiating position to sell their shares this year than they were last. While it may not be especially capable at the moment, it is improving and will continue to do so in the near future.

Account Receivable Turnover Ratio

$$Account\ Receivable\ Turnover\ Ratio = \frac{Sales}{Average\ Account\ Receivable}$$

The Receivable Turnover Ratio declined by 31.6% between 2016 and 2019, falling from 6.0089 days to 4.1091 days. The organisation has been improving hard to shorten its accounts receivable cycle, which is a helpful trend for the organization's bottom line.

Account Payable Turnover Ratio

$$Account\ Payable\ Turnover\ Ratio = \frac{Purchase}{Average\ Account\ Payable}$$

The Payable Period in 2016 was 60.74 days, and in 2019 it is 88.82 days, improving an increase of 46.22% for the usual Payable Turnover. This suggests that the affiliation is generating a payable period for commitment, and that this number will continue to improve. These results are encouraging for the company since they indicate a helpful organisation.

Short-Term Solvency

Short-term solvency is measured by the current ratio, which indicates whether or not a company has enough liquid assets to cover its immediate debt obligations (up to one year). This ratio provides an approximation of how well cash on hand and the cash to be collected from accounts receivable and the sale of inventory will pay the liabilities that will become due in the following quarter.

Lenders are quite interested in having borrowers input their data to determine the current ratio. Take a look at the process below:
The following are used with various restrictions to find the short-term solvency:

Current Ratio

The Current assets ÷ The Current liabilities = The Current ratio

Its current extent has dropped from 0.8946 in 2016 to 0.8832 in 2019, a decrease of 1.27% over the previous four years, suggesting that the likelihood of General Motors going bankrupt or into default has increased. General Motors' shaky financial solvency is a major red flag from the standpoint of auditors.

Long-Term Solvency

Solvency refers to a company's ability to pay its long-term debts and other financial commitments. When an ability is financial, it shows that it has the resources to continue running for the foreseeable future without going bankrupt. Ratios are useful for assessing a firm's financial health to potential investors. Since a corporation might be insolvent while still producing steady amounts of liquidity, it is typically wise to conjunctively examine both solvency and liquidity indicators.
General Motors' future financial viability will be determined using the following strategies:

Debt to Capital Ratio

$$\text{Debt Capital Ratio} = \frac{Longterm\ Debt}{Capital}$$

General Motors' Debt to Capital Ratio grew from 0.538 in 2016 to 0.5892 in 2019 (a gain of 9.55%), suggesting the company's financial weakness and the impact it is expected to swiftly increase the risk of the organisation.

Debt to Equity Ratio

$$Debt\ Equity\ Ratio = \frac{Total\ Liabilities}{Shareholder\,s'\ Equity}$$

The firm grew its funding through acquiring money by 29.3 ratio points between 2019 and 2016, with the D/E Ratio reaching 2.25. This puts the relationship at significant risk if the cost of obtaining is deemed to be unnecessarily modest.
Indications of the company's long-term solvency suggest that the organisation faces a risk of default.

Market-Based Ratios

General Motors' market value is calculated using the following ratios:

Book Value per Share

$$Book\ Value\ per\ Share = \frac{Book\ Value}{No.\ of\ Outstanding\ Shares}$$

The Book Value per Share for GM rose from $29.38 in 2016 to $32.99 in 2019, an increase of 11.7%, indicating that investors place a higher value on each GM share as a going concern than they did four years ago.

Operating Cash Flow per Share

$$Operating\ Cash\ Flow\ per\ Share = \frac{Operating\ Cash\ Flow}{No.\ of\ Shares\ Outstanding}$$

The decline from 10.57 in 2016 to 10.43 in 2019 in Operating Cash Flow per Share for General Motors indicates the organisation was unable to continue paying its bills without receiving additional funding or making additional use of existing funds.

Free Cash Flow per Share

$$Free\ Cash\ Flow\ per\ Share = \frac{Free\ Cash\ Flow}{No.\ of\ Outstanding\ Shares}$$

In 2018, General Motors had a Free Cash Flow per Share of -5.55, but in 2019, that number increased to 3.00, an increase of 45.95%, showing that the company is expected to grow and expand its opportunities and important and non-monetary influence.

2. **The Recommendations to Improve the Company Business:**

Gross Margin

This is a list of recommendations for raising the company's gross profit margin:

- The Margin of Profit Needs to Be Examined
- We advocate a price increase.
- It's Appropriate to Offer Discounts

- Competition in price is not healthy.
- Get the best deals possible from the sellers.
- Put Inventory Management Software to Use

The Operating Margin
Here are some recommendations for boosting your operating margin:

- Improving Price Markdowns Through Greater Availability of Inventory
- Brand awareness and perceived value need to be boosted.
- Consistent Work and Reduced Manufacturing Expenses
- The typical order value should also increase.
- Increasing prices is also necessary.
- Improve Your relationship's Connections with Your Suppliers
- Rally the Team to Greater Efforts
- Find the unnecessary and get rid of it.

The Net Profit Margin

Everyone in the firm has the same objective, which is to improve the net margin as much as possible. If a company's net margin is higher than the average for its industry, then the company enjoys a competitive advantage over other businesses that operate in the same field of endeavor as it does. Although the typical net margins for each industry are very different from one another, the ways in which businesses can increase their margins by either increasing sales or decreasing costs are consistent regardless of the industry.

- Earnings Growth
- Cost Minimization

The Equity Return

There are a number of paths an organisation may take to improve its return on business. Several suggestions are recommended below:

- Increase Your Financial Leverage Contracts
- An improvement in profit margin is warranted.
- Boost Asset Dispositions
- Distributing Cash That Is Currently Idle
- Ability to pay tax rates should be low.

The Return on Assets

Growing or keeping the value of the company's assets is a crucial part of running a large enterprise. It's because that's how many investors on the board of directors, in management, and in the workforce as a whole. However, shareholders are the key stakeholders concerned with return on assets (Alsyouf, 2007). These people are interested in learning more about the effectiveness with which upper-level management of the company handles the company's assets. When compared to similar businesses and competitors, a greater ratio indicates that the finances are properly managed while the costs are poor.
In order to increase profits and bring assets up to predetermined levels, management must address the following issues.

- Reducing Total Assets and Increasing Return on Assets by Increasing Current Assets
- Refine Permanent assets

The Return on Investment

One of the most essential things you can do as a business owner is to learn how to effectively handle money and the company's assets. Here are some recommendations for maximizing your return on investment:

- Expense of Doing Business Research
- The Departments Need Some TLC
- Capital Investment Using Compound Interest
- Innovation ought to be the main focus.
- Business proposals' terms and requirements need careful preparation.

The Inventory Turnover Ratio

As a result of satisfying consumer demands and streamlining the sales process, a well-managed inventory may boost a company's cash flow. When profits are optimised, the sales process may be more creative and adaptive (Lee et al., 2015). Several options are shown below for changing the inventory sales ratio in order to enhance the sales approach:

- Reduce Waste and Better Control Your Time and Energy Use
- Automate
- Reduce Costs

- Market in Construction-Related Materials
- Business Strategy Adjustments for Businesses
- Ways to Get Rid of Service Products Properly
- Optimizing the Supply Chain

Solvency in The Short Term

When improving to improve the current ratio, management should focus methods that address both the company's present commitments and assets, as well as those that are ongoing. It requires constant surveillance throughout the year. The following are some methods that may be used to increase short-term solvency:

- Quicker Exchange of Borrowers or Receivables
- Short-Term Debts That Need to Be Paid
- Get Rid of Your Non-Performing Assets
- Assets have been upgraded recently thanks to increased shareholder contributions.
- Maintenance of Spotless Financial Records

Solvency Over the Long Term

There are actions that businesses may take to either lower or increase their debt-to-capital ratios. It is possible to take steps toward increased competitiveness, better asset management, and debt reduction (Doff, 2008). It's possible that they'll be lumped together with the increase in price of their products or services if the pricing strategy is sound. Together, we can achieve greater results from the strategy utilized to reduce this combination.

- Increased The Revenue
- The Inventory Management
- The Debt Restructuring

Per-share Operating Cash Flow

Several factors contribute to the cash flow deficit. It is possible for customers to misjudge the cost of their items and not pay or budget accordingly (Farshadfar & Monem, 2012). Recovering from a negative operating cash flow per share is recommended by:

- Review the Financial Reports
- Make adjustments to the payment schedule
- Spending Should Be Cut

- ➢ Increase Your Revenues
- ➢ Collaborate with Producers, Banks, and Debtors

3. Recommend New Project as The Company Wants to Expand its Business:

The company has been given a new project investment analysis, and with the initial investment set at $500,000 and the discount rate set at 10%, the net present value can be calculated.

Initial Investment		$500,000	
Year	**CF**	**PVIF (10%)**	**PV of CF**
1st	50000$	0.90909090	45454
2nd	50000$	0.82644628	41322
3rd	400000$	0.75131480	30052
4th	100000$	0.68301345	68301
5th	100000$	0.62092132	62092
			517696
NPV =		**17696$**	

NPV of $17,696 at a WACC of 10%, the company should invest it.

The Advantages of Using the Net Present Value method

Companies' profitability is often compared by corporate managers through the use of NPV estimate. It's based on the idea that tomorrow's earnings will be worth less than today's cash reserves. The primary characteristic of NPV is that future cash flows are only valued at their present-day equivalents. The NPV method calculates a monetary value that represents the opportunity worth to the business. Investors can observe how a project is adding value (Schwab & Lusztig, 1969). The discount rate used for the investment's capital outlay is factored into the NPV. The average rate of return on shareholders' investments in the company. It is worth to consider the advantages of Net Present Value while analyzing the financial health of a project or a potential investment:

- ➢ Future inflation is factored in, so the dollar will be worth more in the future.
- ➢ The current discounted value will be factored into the risk assessment.
- ➢ Capital expenditures and any downsides are considered.
- ➢ The value outcomes may be determined by using net present value.

- In other words, it considers the full scope of a project's cash flow.
- It helps to track out the appropriate initiatives, and it pools funding for such initiatives.
- The net present value shows whether or not an investment will generate interest.
- The net present value ratio may be easily understood by the ordinary investor.
- Not the supposition that earnings will be reinvested.

The Capital

The Company Capital	137,237
The percentage of 40% of Capital	54894.8
The Company Retained Earnings	26,860

Since the company has access to more capital than retained profits (i.e., $137,237), it should utilize the former in place of the latter. Even after deducting 40%, the company of $54,895 is still greater than the latter's capital (i.e., $26,860).

4. The Company Should Pay Return Earnings or Not:

Companies may distribute an income of their profits to their shareholders in the form of dividends. Payments might be in the form of cash, shares of stock, or other assets. There is flexibility in both the frequency and size of dividends. In common parlance, dividends are rarely paid by firms since it is more prudent to reinvest cash at crucial stages of development. Companies, especially those with a solid track record, frequently reinvest its earnings to fund expansion, pay out firms, or reduce their overall debt loads. The stock price usually rises in response to all this action.

G .M Company Statistics

Taking into consideration the statistics, the dividends paid in 2019 equal to $2,350, which indicates that the company should not return the dividends to shareholders but rather invest them in projects to expand its potential for work efficiency. According to the ratios, there is a lot of room for improvement, which is why the company should invest company into those activities so that they can overcome the problems and increase their performance. This will increase the value of the company's shares and invest both new and existing investors, which will ultimately result in higher profits and a higher dividend for the company's shareholders.

Conclusion

General Motors has a lot of room for improvement, as shown by the financial ratios analysis. Revenue is falling, and the company's ability to pay debt payments is also relatively low, therefore the analysis is not good. In addition, the possibility of the company going bankrupt is substantial. Therefore, the company should think about these factors, since they are worrying to potential investors and might result in the company receiving insufficient investment. General Motors has to reinvest its dividends to keep the company functioning smoothly or it will soon collapse.

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