

Horizontal and Vertical Analysis of SAMSUNG Enterprise for the Years 2015-2016 and 2017-2018

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Abstract

The paper reflects our study about the horizontal and vertical analysis of financial statements. In this small volume we have tried to give meaningful, close and clear explanations. We have tried to methodologically elaborate the task in a gradual way. The paper is worked in several parts for the purpose of easier understanding.

The paper presents the original data of the financial statements, which elaborates the horizontal and vertical analysis of the balance sheet and the SAP for the years 2015-2015 and 2017-2018, in the next part is presented our commentary on the findings of the analysis for the above years. For this paper, SPSS software was used as a tool to interpret the results obtained from the questionnaire that was formulated for this paper.

Keywords: enterprise, financial statement, horizontal analysis, vertical analysis

1. Theoretical Framework

Users of financial statement information include managers, creditors, shareholders, investors, and regulatory agencies. These individuals and organizations can be divided into two groups both internal and external according to their interests in financial statement information (Wild, 2008).

Their purposes for using accounting information are different from each other. External users include shareholders, clients, regulators, lenders, governments, and other suppliers who are not directly involved in running an organization. Internal users include managers and employees who are directly involved in running and managing the organization (Brigham, 2015).

The purpose of the income statement is to show how profitable the firm has been during a given accounting period. This overview reports a summary of how the business generates its income and expenses through operating and non-operating activities (Weygandt, Keiso and Kimmel 2008, 2007). A result of this statement is given as profit or loss. The income statement is the most important ratio that investors, creditors and analysts are interested in (Kimmel 2001).

2. Financial Statement Analysis Tools

Various tools are used to evaluate the financial statements. Financial statement analysis consists of applying analytical tools and techniques to financial statements and other relevant data to obtain useful information. Three of the most common tools of financial statement analysis are: horizontal analysis, vertical analysis and ratio analysis (Wild, 2008).

2.1 Horizontal Analysis

Horizontal analysis, also called trend analysis, is a tool for estimating a series of financial statement data over a period of time. Its purpose is to investigate whether an increase and decrease has occurred. Analysis is mainly used in comparisons within the enterprise (Hermanson, Edwards and Salmonson, 1989).

The advantage of horizontal analysis is that changes can be expressed in quantities as well as in percentages. Horizontal analysis of period-to-period changes is relatively straightforward and quite useful (Keiso and Kimmel 2000). However, complications can occur during the calculation. If an item has no value in a base year or the previous year and a value in the following year, no percentage change can be calculated. If a negative amount appears at the base or previous year or period and a positive amount exists the following year, no percentage change can be calculated (Weygandt, 2001).

Horizontal analysis analyzes the relationship between revenue and expense growth, meaning the increase in profits in a year, and possibly the increase in assets, liabilities and capital of companies (Joy Elly, 2017). The balance sheet and profit and loss account are diligently analyzed. Balance sheet analysis is particularly interested in the source that enhances the assets of the enterprise.

When investing in company ownership, the structure investor is particularly interested in the condition of its assets, capital and liabilities, and that there is a logical link between the increase in its assets, liabilities or equity (Joy Elly, 2017). The investor is particularly interested in whether the company's management uses horizontal financing policies. The most popular financing rule is the golden rule of banking 8 "Problems between assets and resources are expensive in small enterprises" (Atrill and McLaney, 2002).

2.2 Vertical Analysis

Vertical analysis is a tool that consists of studying a single financial statement in which each item is expressed as a percentage of a significant total. The use of vertical analysis is particularly useful in analyzing income statement data, such as the percentage of the cost of goods sold in sales (Hermanson, Edwards, & Salmonson 1989,781).

Comparison of current assets with current liabilities or comparisons of debt to equity for a period of time are examples of vertical analysis (Kieso, 2013).

Thus, vertical analysis can be done in the following ways:

- By preparing joint size statements of two similar units
- Preparing the joint size statement of different years of the same business unit (Kieso, 2013).

Vertical analysis describes each amount of the financial statements as a percentage of another item. Vertical balance sheet valuation means that any amount belonging to the statement resists to be a percentage of the total valuation, while vertical analysis of liabilities in the balance sheet means that any amount belonging to the liability resists to be the percentage of total liabilities. Vertical analysis of an income statement shows that each amount of the income statement is represented as a percentage of sales (Patel, 2009).

In the cash flow statement, total cash inflow is set as a parameter for each post that forms cash flow, and total cash outflow is set as a parameter for each post that forms cash outflow, then cash and cash equivalents specified as a parameter of each post that the cash form and its equivalents in the cash flow statement (Brigham, 2004).

3. Methodology

3.1 Population and Samples

The population of this research consists of a number of microfinance institutions that operate in the Republic of Kosovo. According to the information provided by the Central Bank of the Republic of Kosovo, there are fourteen (14) microfinance institutions operating in our country. Which have 118 branches and sub-branches distributed throughout the country, with approximately 1021 employees (referring to the data of February 10, 2020, from the official website of the Association of Microfinance Institutions in RKS - "www.amik.org"). The sample of this research consists of four microfinance institutions, respectively KEP Trust, Finca, AFK and KRK. This choice of sample is not completely random, because in order to have a more detailed overview of the problem we are dealing with, the sample should have been taken by organizations with the largest number of employees and the widest range. organizations have similar characteristics (in terms of, services, employees, geographical location), which helps to conduct a more detailed analysis, more likely to notice any changes, but also more likely to understand more essentially the full picture of this issue in our country.

3.2 Instrument and Procedure

The instrument used in this research is the questionnaire as the easiest tool to reach the respondents. Anonymity was promised and kept and the willingness to attend was very high. The questionnaire contains 10 closed questions where the evaluation is done based on the Liqueur scale with 1-5 options to choose from.

Data collection was completed during July 2020. The questions were understandable and the distribution was done mainly through e-mail and media networks.Pyetjet hulumtuese dhe hipotezat.

Through this paper we will try to clarify the inevitable connection of Horizontal and Vertical Analysis in discovering the current state of enterprises and the appropriate actions to be taken before financial decisions are made.

3.3 Research Questions

Below are the initiating questions where this paper is concentrated. The research questions are as follows:

1. How would the increase in foreign investment, as Samsung did during the 2015-2016 period, affect the enterprise?

2. How would the increase in accounts receivable and the decrease in accounts payable affect the enterprise?

3.4 Hypotheses

From the research questions the hypotheses are derived:

1. The increase of foreign investments as Samsung did during the period 2015-2018, will have a positive impact on the growth of the enterprise

2. Increasing accounts receivable and reducing accounts payable in the enterprise, would positively affect the enterprise

4. Original Data

4.1 Balance Sheet

Figure 1. Balance sheet of Samsung until 2018

| Balance Sheet Items | Counting | Year 2015 | Year 2016 | Year 2017 | Year 2018 |
|---|-----------|--------------------|--------------------|--------------------|--------------------|
| Assets | | | | | |
| <i>Money and its equivalents Current assets</i> | | | | | |
| Money and its equivalents | 1 | 13,716,517 | 17,544,076 | 15,431,422 | 15,997,688 |
| Short-term financial instruments | 2 | 10,764,546 | 16,243,056 | 34,798,353 | 39,602,713 |
| Available-for-sale financial assets | 3 | 612,426 | 1,175,309 | 1,410,525 | 3,122,255 |
| A/R | 4 | 22,549,741 | 24,903,927 | 26,415,175 | 26,821,018 |
| Advances | 5 | 1,340,947 | 1,563,279 | 1,827,147 | 1,889,874 |
| Prepaid expenses | 6 | 2,174,832 | 2,112,066 | 2,343,362 | 3,179,057 |
| Inventory | 7 | 14,673,434 | 16,569,333 | 18,132,160 | 16,450,560 |
| Assets held for sale | 8 | 0 | 0 | 2,574,370 | 613,177 |
| Other current assets | 9 | 923,288 | 1,365,023 | 2,023,680 | 1,705,275 |
| Total current assets | 10 | 66,755,731 | 81,476,069 | 104,956,194 | 109,381,617 |
| <i>Non-current assets</i> | | | | | |
| Available-for-sale financial assets | 11 | 3,009,614 | 4,882,060 | 5,911,475 | 12,033,351 |
| Investments in other enterprises (j.v) | 12 | 8,593,193 | 8,202,305 | 6,085,750 | 4,970,515 |
| Land, factories and equipment | 13 | 57,925,451 | 63,938,701 | 71,540,214 | 76,824,309 |
| Intangible assets | 14 | 3,132,514 | 3,482,126 | 3,772,008 | 4,545,904 |
| deposits | 15 | 739,299 | 760,613 | 0 | 0 |
| Prepayment of long-term expenses | 16 | 3,224,914 | 3,282,120 | 3,284,168 | 4,613,970 |
| Income tax prepayment (profit) | 17 | 1,664,724 | 2,349,062 | 4,379,589 | 4,299,986 |
| Other fixed assets | 18 | 412,746 | 678,919 | 2,927,627 | 2,217,933 |
| Total non-current assets | 19 | 78,702,455 | 87,575,906 | 87,309,447 | 98,374,079 |
| TOTAL PROPERTY | 20 | 145,458,186 | 169,051,975 | 192,265,641 | 207,755,696 |
| <i>Liabilities and Capital</i> | | | | | |
| Short-term liabilities | | | | | |
| ACCOUNTS PAYABLE | 21 | 17,280,823 | 15,768,229 | 16,709,661 | 7,518,480 |
| Short-term loans | 22 | 9,012,904 | 7,883,253 | 6,101,125 | 7,627,338 |
| Unearned income | 23 | 1,354,433 | 1,416,928 | 1,616,899 | 1,355,780 |
| Withholding tax | 24 | 1,601,223 | 902,226 | 1,114,419 | 1,103,482 |
| Accrual costs | 25 | 7,304,386 | 8,864,864 | 10,750,052 | 12,232,143 |
| Profit tax payable | 26 | 1,178,973 | 3,008,994 | 3,208,583 | 2,052,920 |
| Loans and bonds | 27 | 0 | 0 | 2,298,712 | 1,689,624 |
| Current installment of long-term loans | 28 | 28,281 | 932,695 | 0 | 0 |
| Provisions | 29 | 3,281,240 | 4,719,310 | 6,383,470 | 5,691,565 |
| Liabilities held for sale | 30 | 0 | 0 | 0 | 26,898 |
| Other short-term liabilities | 31 | 334,839 | 321,120 | 443,450 | 10,111,780 |
| Total current liabilities | 32 | 41,377,102 | 43,817,619 | 48,626,371 | 49,410,010 |

| | | | | | |
|---|-----------|--------------------|--------------------|--------------------|--------------------|
| Long-term liabilities | | | | | |
| | 33 | 0 | 0 | 1,242,365 | 1,288,004 |
| Long-term loans | 34 | 1,195,149 | 1,707,940 | 933,495 | 96,581 |
| LIABILITIES PAYABLE | 35 | 956,777 | 1,088,489 | 998,537 | 2,433,999 |
| Net defined benefit obligations | 36 | 0 | 0 | 1,757,701 | 191,262 |
| Liabilities Other unsecured long-term bonds | 37 | 3,438,028 | 3,382,530 | 0 | 0 |
| Pension liability | 38 | 1,044,896 | 1,615,105 | 0 | 0 |
| Profit tax (income) payable | 39 | 2,178,547 | 3,201,818 | 5,697,310 | 3,892,667 |
| Provisions | 40 | 339,112 | 381,411 | 436,771 | 474,295 |
| Other long-term liabilities | 41 | 340,180 | 440,757 | 1,009,628 | 1,427,368 |
| TOTAL OBLIGATIONS | 43 | 50,869,791 | 55,635,669 | 60,702,178 | 59,214,186 |
| Equity | | | | | |
| Ordinary shares | 45 | 726,400 | 726,400 | 737,276 | 739,097 |
| Premium from shares | 46 | 4,111,561 | 4,111,561 | 4,173,119 | 4,183,426 |
| Retained earnings | 47 | 91,142,630 | 112,020,996 | 140,813,307 | 161,042,656 |
| Other reserves | 48 | -5,446,639 | -7,649,185 | -8,963,398 | -12,092,132 |
| Other comprehensive income | 49 | 0 | 0 | | 76,091 |
| Uncontrolled interest | 50 | 3,942,906 | 4,094,997 | 5,281,336 | 5,610,775 |
| EQUITY | 51 | 94,588,395 | 113,416,306 | 142,154,847 | 159,673,399 |
| Preferential shares | 44 | 111,537 | 111,537 | 113,207 | 113,486 |
| Total long-term liabilities | 42 | 8,297,540 | 10,110,110 | 12,075,807 | 9,804,176 |
| Total liabilities and capital | 52 | 145,458,186 | 169,051,975 | 202,857,025 | 218,887,585 |

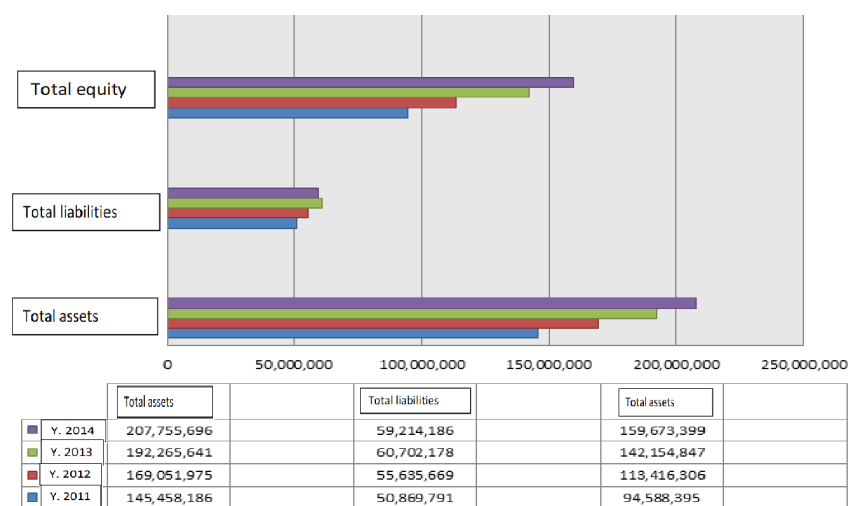


Chart 1. Samsung Balance Sheet

4.2 Income and Expense Statement

Table 1. Statement of income and expenses until 2018

| ITEMS | Counting | Year 2015 | Year 2016 | Year 2017 | Year 2018 |
|---------------------------|-----------|--------------------|--------------------|--------------------|--------------------|
| Revenues from sales | 53 | 154,048,895 | 187,754,283 | 216,708,677 | 195,882,955 |
| Cost of goods sold | 54 | (104,700,887) | (118,244,730) | (130,480,72) | (121,856,939) |
| Gross Profit | 55 | 49,348,008 | 69,509,553 | 86,227,952 | 74,026,016 |
| Operating expenses | 56 | (34,742,191) | (42,388,520) | (51,370,553) | (50,253,744) |
| Operating Profit | 57 | 14,605,817 | 27,121,033 | 34,857,399 | 23,772,272 |
| Financial income | 58 | 1,444,895 | 808,215 | 1,469,509 | 2,707,288 |
| Profit before tax | 59 | 16,050,712 | 27,929,248 | 36,353,908 | 26,479,560 |
| Income tax expense | 60 | (3,204,999) | (5,666,822) | (7,476,087) | (4,256,366) |
| Profit of the year | 61 | 12,845,713 | 22,262,426 | 28,877,821 | 22,223,194 |

5. Horizontal and Vertical Analysis for the Period 2015-2016

5.1 Horizontal Analysis for the Period 2015-2016

5.1.1 Horizontal Balance Sheet Analysis

Table 2. Horizontal analysis of the balance sheet for the period 2015-2016

| Balance Sheet | | | | | |
|---|-----------------|--------------------|--------------------|-------------------|-----------------|
| Balance Sheet Items | Counting | Year 2015 | Year 2016 | Sum e rr/z | % e rr/z |
| Wealth (Active Bilacore) | | | | | |
| <i>Current assets</i> | | | | | |
| Cash and cash equivalents | 1 | 13,716,517 | 17,544,076 | 3,827,559 | 27.9 |
| Short-term financial instruments | 2 | 10,764,546 | 16,243,056 | 5,478,510 | 50.89 |
| Available-for-sale financial assets | 3 | 612,426 | 1,175,309 | 562,883 | 91.91 |
| R/A | 4 | 22,549,741 | 24,903,927 | 2,354,186 | 10.44 |
| Advances | 5 | 1,340,947 | 1,563,279 | 222,332 | 16.58 |
| Prepaid expenses | 6 | 2,174,832 | 2,112,066 | -62,766 | -2.89 |
| Inventory | 7 | 14,673,434 | 16,569,333 | 1,895,899 | 12.92 |
| Other current assets | 8 | 923,288 | 1,365,023 | 441,735 | 47.84 |
| Total current assets | 9 | 66,755,731 | 81,476,069 | 14,720,338 | 22.05 |
| <i>Non-current assets</i> | | | | | |
| Available-for-sale financial assets | 10 | 3,009,614 | 4,882,060 | 1,872,446 | 62.22 |
| Investments in other enterprises (j.v.) | 11 | 8,593,193 | 8,202,305 | -390,888 | -4.55 |
| Land, factories and equipment | 12 | 57,925,451 | 63,938,701 | 6,013,250 | 10.38 |
| Intangible assets | 13 | 3,132,514 | 3,482,126 | 349,612 | 11.16 |
| deposits | 14 | 739,299 | 760,613 | 21,314 | 2.88 |
| Prepayment of long-term expenses | 15 | 3,224,914 | 3,282,120 | 57,206 | 1.77 |
| Income tax prepayment (profit) | 16 | 1,664,724 | 2,349,062 | 684,338 | 41.11 |
| Other fixed assets | 17 | 412,746 | 678,919 | 266,173 | 64.49 |
| Total non-current assets | 18 | 78,702,455 | 87,575,906 | 8,873,451 | 11.27 |
| TOTAL PROPERTY | 19 | 145,458,186 | 169,051,975 | 23,593,789 | 13.96 |
| <i>Liabilities and Capital</i> | | | | | |
| Short-term liabilities | | | | | |
| ACCOUNTS PAYABLE | 20 | 17,280,823 | 15,768,229 | -1,512,594 | -8.75 |
| Short-term loans | 21 | 9,012,904 | 7,883,253 | -1,129,651 | -12.53 |
| Unearned income | 22 | 1,354,433 | 1,416,928 | 62,495 | 4.61 |
| Withholding tax | 23 | 1,601,223 | 902,226 | -698,997 | -43.65 |
| Accrual costs | 24 | 7,304,386 | 8,864,864 | 1,560,478 | 21.36 |
| Profit tax payable | 25 | 1,178,973 | 3,008,994 | 1,830,021 | 155.22 |
| Current installment of long-term loans | 26 | 28,281 | 932,695 | 904,414 | 3197.96 |
| Provisions | 27 | 3,281,240 | 4,719,310 | 1,438,070 | 43.83 |
| Other short-term liabilities | 28 | 334,839 | 321,120 | -13,719 | -4.1 |
| Total current liabilities | 29 | 41,377,102 | 43,817,619 | 2,440,517 | 5.9 |
| <i>Long-term liabilities</i> | | | | | |

| | | | | | |
|--------------------------------------|-----------|--------------------|--------------------|-------------------|--------------|
| PAYABLE LIABILITIES | 31 | 956,777 | 1,088,489 | 131,712 | 13.77 |
| Long-term loans | 32 | 1,195,149 | 1,707,940 | 512,791 | 42.91 |
| Other long-term liabilities | 33 | 3,438,028 | 3,382,530 | -55,498 | -1.61 |
| Pension liability | 34 | 1,044,896 | 1,615,105 | 570,209 | 54.57 |
| Profit tax (income) payable | 35 | 2,178,547 | 3,201,818 | 1,023,271 | 46.97 |
| Provisions | 36 | 339,112 | 381,411 | 42,299 | 12.47 |
| Other long-term liabilities | | 340,180 | 440,757 | 100,577 | 29.57 |
| Total long-term liabilities | 37 | 9,492,689 | 11,818,050 | 2,325,361 | 24.5 |
| TOTAL LIABILITIES | 38 | 50,869,791 | 55,635,669 | 4,765,878 | 9.37 |
| Equity | | | | | |
| Preferential shares | 39 | 111,537 | 111,537 | 0 | 0 |
| Ordinary shares | 40 | 726,400 | 726,400 | 0 | 0 |
| Premium from shares | 41 | 4,111,561 | 4,111,561 | 0 | 0 |
| Retained earnings | 42 | 91,142,630 | 112,020,996 | 20,878,366 | 22.91 |
| Other reserves | 43 | -5,446,639 | -7,649,185 | -2,202,546 | 40.44 |
| Uncontrolled interest | 44 | 3,942,906 | 4,094,997 | 152,091 | 3.86 |
| TOTAL EQUITY | 45 | 94,588,395 | 113,416,306 | 18,827,911 | 19.91 |
| Total liabilities and capital | 46 | 145,458,186 | 169,051,975 | 23,593,789 | 16.22 |

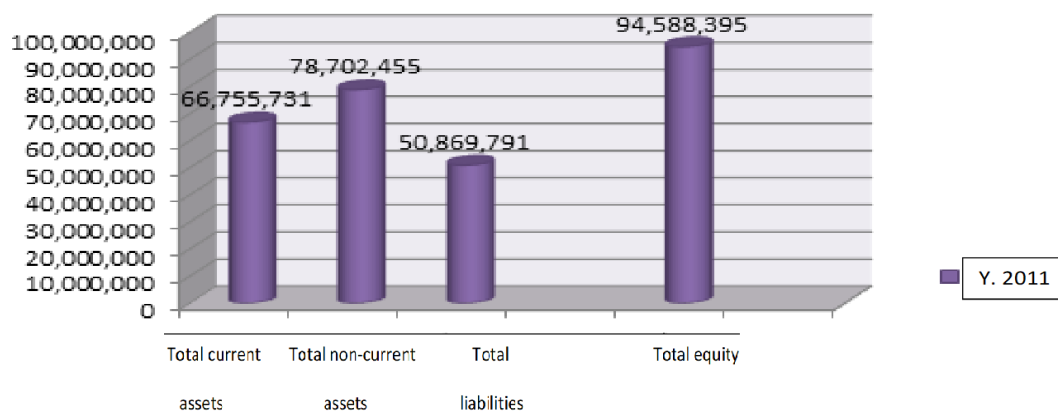


Chart 3. Balance sheet in 2015

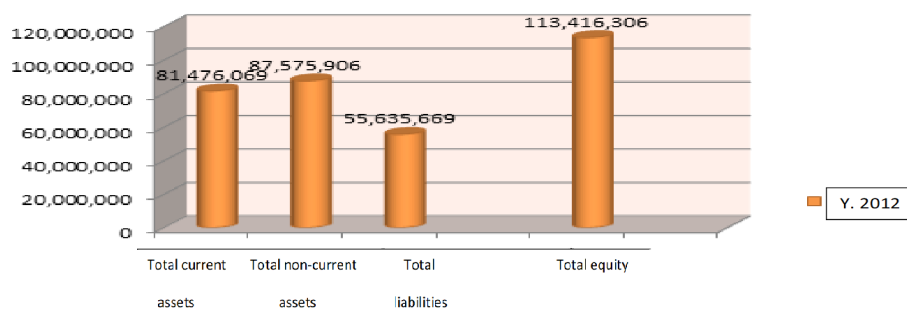


Chart 4. Balance sheet in 2016

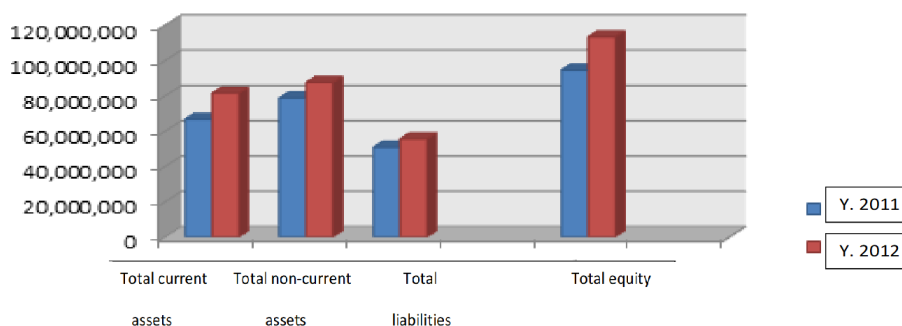


Chart 5. Balance sheet in 2015 and 2016

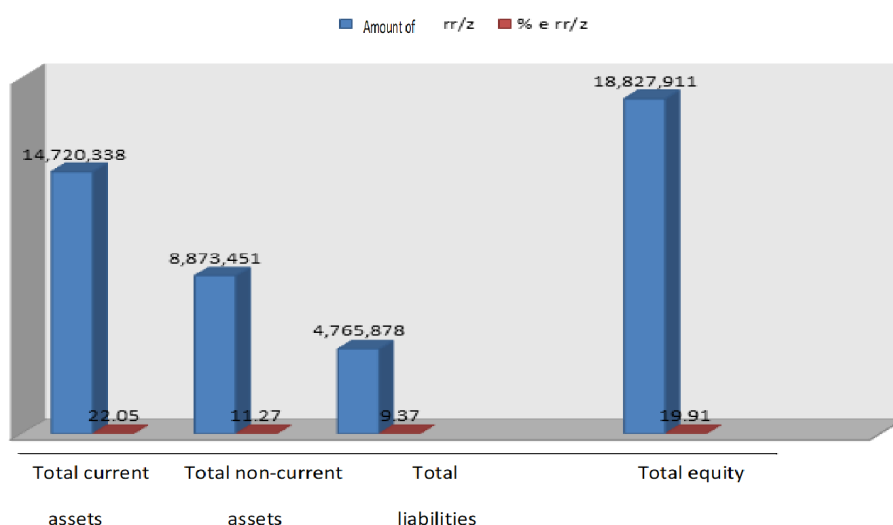


Chart 6. Horizontal analysis of the balance sheet for the years 2015-2016

5.1.2 Horizontal Analysis of the Income and Expenditure Statement

Table 3. Horizontal analysis of the income and expenditure statement for the years 2015-2016

| Income and Expenditure Statement | | | | | |
|---|-----------|--------------------|--------------------|-------------------|--------------|
| ITEMS | Counting | Year 2015 | Year 2016 | Amount of rr/z | % of rr/z |
| Revenues from shooting | 47 | 154,048,895 | 187,754,283 | 33,705,388 | 21.88 |
| Cost of goods sold | 48 | (104,700,887) | (118,244,730) | (13,543,843) | 12.94 |
| Gross Profit | 49 | 49,348,008 | 69,509,553 | 20,161,545 | 40.86 |
| Operating expenses | 50 | (34,742,191) | (42,388,520) | (7,646,329) | 22.01 |
| Operating Profit | 51 | 14,605,817 | 27,121,033 | 12,515,216 | 85.69 |
| Financial income | 52 | 1,444,895 | 808,215 | (636,680) | (44.06) |
| Profit before tax | 53 | 16,050,712 | 27,929,248 | 11,878,536 | 74.01 |
| Income tax expense | 54 | (3,204,999) | (5,666,822) | (2,461,823) | 76.81 |
| Profit of the year | 55 | 12,845,713 | 22,262,426 | 9,416,713 | 0.00 |

5.2 Vertical Analysis for the Period 2015-2016

5.2.1 Vertical Balance Sheet Analysis

Table 4. Vertical analysis of the balance sheet for the years 2015-2016

| Balance Sheet | | | | | |
|----------------------|----------|-----------|-----------|----------------|-----------|
| Balance Sheet Items | Counting | Year 2015 | Year 2016 | Amount of rr/z | % of rr/z |

| | | | | | |
|---|-----------|--------------------|--------------------|-------------------|--------------|
| Wealth (Active Balance) | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 1 | 13,716,517 | 17,544,076 | 3,827,559 | 27.9 |
| Short-term financial instruments | 2 | 10,764,546 | 16,243,056 | 5,478,510 | 50.89 |
| Available-for-sale financial assets | 3 | 612,426 | 1,175,309 | 562,883 | 91.91 |
| R/A | 4 | 22,549,741 | 24,903,927 | 2,354,186 | 10.44 |
| Advances | 5 | 1,340,947 | 1,563,279 | 222,332 | 16.58 |
| Prepaid expenses | 6 | 2,174,832 | 2,112,066 | -62,766 | -2.89 |
| Inventory | 7 | 14,673,434 | 16,569,333 | 1,895,899 | 12.92 |
| Other current assets | 8 | 923,288 | 1,365,023 | 441,735 | 47.84 |
| Total current assets | 9 | 66,755,731 | 81,476,069 | 14,720,338 | 22.05 |
| Non-current assets | | | | | |
| Available-for-sale financial assets | 10 | 3,009,614 | 4,882,060 | 1,872,446 | 62.22 |
| Investments in other enterprises (j.v.) | 11 | 8,593,193 | 8,202,305 | -390,888 | -4.55 |
| Land, factories and equipment | 12 | 57,925,451 | 63,938,701 | 6,013,250 | 10.38 |
| Intangible assets | 13 | 3,132,514 | 3,482,126 | 349,612 | 11.16 |
| deposits | 14 | 739,299 | 760,613 | 21,314 | 2.88 |
| Prepayment of long-term expenses | 15 | 3,224,914 | 3,282,120 | 57,206 | 1.77 |
| Income tax prepayment (profit) | 16 | 1,664,724 | 2,349,062 | 684,338 | 41.11 |
| Other fixed assets | 17 | 412,746 | 678,919 | 266,173 | 64.49 |
| Total non-current assets | 18 | 78,702,455 | 87,575,906 | 8,873,451 | 11.27 |
| TOTAL PROPERTY | 19 | 145,458,186 | 169,051,975 | 23,593,789 | 13.96 |
| Liabilities and Capital | | | | | |
| Short-term liabilities | | | | | |
| ACCOUNTS PAYABLE | 20 | 17,280,823 | 15,768,229 | -1,512,594 | -8.75 |
| Short-term loans | 21 | 9,012,904 | 7,883,253 | -1,129,651 | -12.53 |
| Unearned income | 22 | 1,354,433 | 1,416,928 | 62,495 | 4.61 |
| Withholding tax | 23 | 1,601,223 | 902,226 | -698,997 | -43.65 |
| Accrual costs | 24 | 7,304,386 | 8,864,864 | 1,560,478 | 21.36 |
| Profit tax payable | 25 | 1,178,973 | 3,008,994 | 1,830,021 | 155.22 |
| Current installment of long-term loans | 26 | 28,281 | 932,695 | 904,414 | 3197.96 |
| Provisions | 27 | 3,281,240 | 4,719,310 | 1,438,070 | 43.83 |
| Other short-term liabilities | 28 | 334,839 | 321,120 | -13,719 | -4.1 |
| Total current liabilities | 29 | 41,377,102 | 43,817,619 | 2,440,517 | 5.9 |
| Long-term liabilities | | | | | |
| PAYABLE LIABILITIES | 31 | 956,777 | 1,088,489 | 131,712 | 13.77 |
| Long-term loans | 32 | 1,195,149 | 1,707,940 | 512,791 | 42.91 |
| Other long-term liabilities | 33 | 3,438,028 | 3,382,530 | -55,498 | -1.61 |
| Pension liability | 34 | 1,044,896 | 1,615,105 | 570,209 | 54.57 |
| Profit tax (income) payable | 35 | 2,178,547 | 3,201,818 | 1,023,271 | 46.97 |
| Provisions | 36 | 339,112 | 381,411 | 42,299 | 12.47 |
| Other long-term liabilities | | 340,180 | 440,757 | 100,577 | 29.57 |
| Total long-term liabilities | 37 | 9,492,689 | 11,818,050 | 2,325,361 | 24.5 |
| TOTAL LIABILITIES | 38 | 50,869,791 | 55,635,669 | 4,765,878 | 9.37 |
| Equity | | | | | |
| Preferential shares | 39 | 111,537 | 111,537 | 0 | 0 |
| Ordinary shares | 40 | 726,400 | 726,400 | 0 | 0 |
| Premium from shares | 41 | 4,111,561 | 4,111,561 | 0 | 0 |
| Retained earnings | 42 | 91,142,630 | 112,020,996 | 20,878,366 | 22.91 |
| Other reserves | 43 | -5,446,639 | -7,649,185 | -2,202,546 | 40.44 |
| Uncontrolled interest | 44 | 3,942,906 | 4,094,997 | 152,091 | 3.86 |
| TOTAL EQUITY | 45 | 94,588,395 | 113,416,306 | 18,827,911 | 19.91 |
| Total liabilities and capital | 46 | 145,458,186 | 169,051,975 | 23,593,789 | 16.22 |

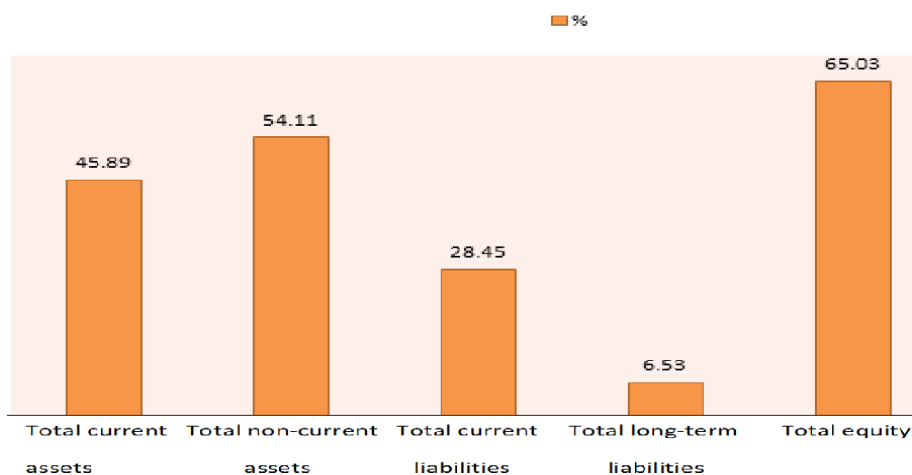


Chart 9. Percentage of growth of assets, liabilities and capital 2015

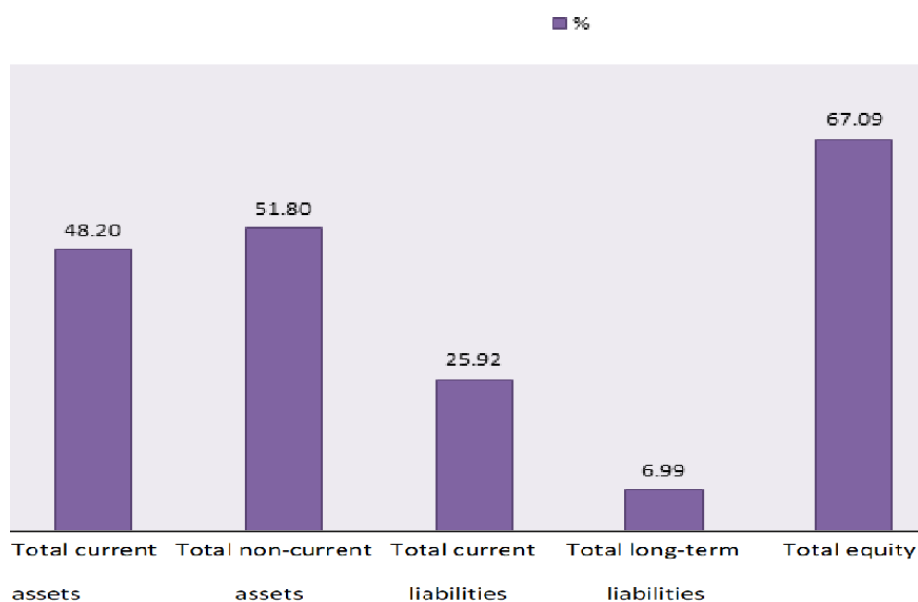


Chart 10. Percentage growth of assets, liabilities and capital 2016

5.2.2 Vertical Analysis of SIE

Table 5. Vertical and horizontal analysis of the income statement for the years 2015-2016

| Income statement | | | |
|----------------------------|-----------------|---------------|--------------|
| Voices | Counting | % | % |
| Revenues from sales | 1 | 100.00 | 100 |
| Cost of goods sold | 2 | (67.97) | (62.98) |
| Gross Profit | 3 | 32.03 | 37.02 |
| Operating expenses | 4 | (22.55) | (22.58) |
| Operating Profit | 5 | 9.48 | 14.44 |
| Financial income | 6 | 0.94 | 0.43 |
| Profit before tax | 7 | 10.42 | 14.88 |
| Income tax expense | 8 | (2.08) | (3.02) |
| Profit of the year | 9 | 8.34 | 11.86 |

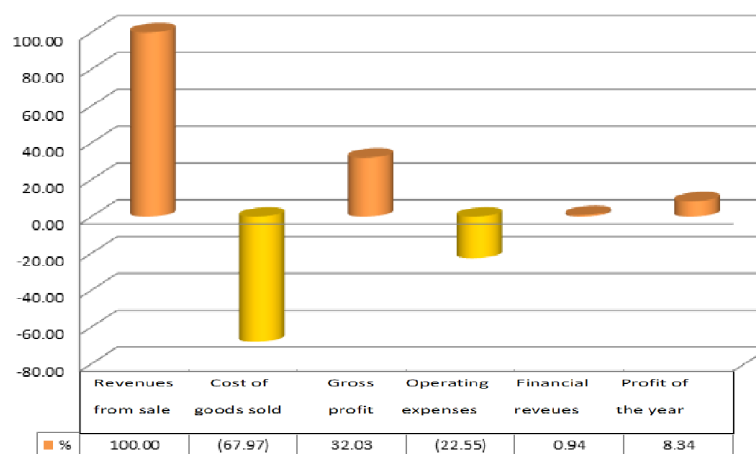


Chart 11. Vertical and horizontal analysis of the income and expenditure statement for 2015

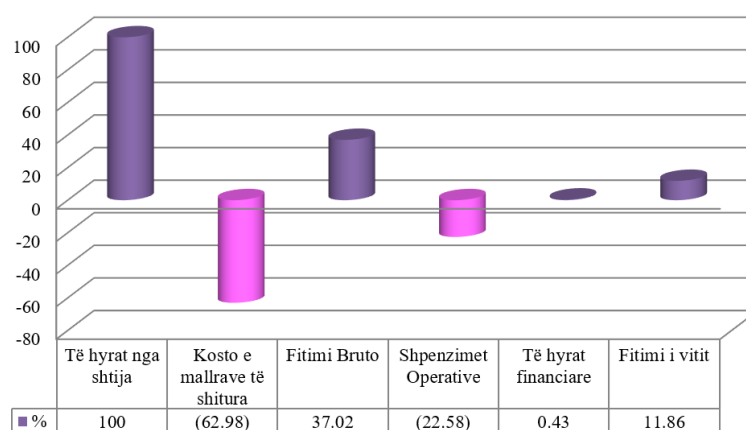


Chart 12. Vertical and horizontal analysis of the income and expenditure statement for 2016

6. Horizontal and Vertical Analysis for the Period 2017-2018

6.1 Horizontal Analysis for the Period 2017-2018

6.1.1 Horizontal Balance Sheet Analysis

Table 6. Horizontal analysis of the balance sheet for the period 2017-2018

| Balance sheet | | | | | |
|-------------------------------------|-----------|--------------------|--------------------|------------------|-------------|
| Balance Sheet Items | Counting | Year 2017 | Year 2018 | Sum of the rr/z | %ofrr/z |
| Assets | | | | | |
| Current assets | | | | | |
| Money and its equivalents | 1 | 15,431,422 | 15,997,688 | 566,266 | 3.67 |
| Short-term financial instruments | 2 | 34,798,353 | 39,602,713 | 4,804,360 | 13.81 |
| Available-for-sale financial assets | 3 | 1,410,525 | 3,122,255 | 1,711,730 | 121.35 |
| Accounts receivable | 4 | 26,415,175 | 26,821,018 | (405,843) | (1.54) |
| Advances | 5 | 1,827,147 | 1,889,874 | 62,727 | 3.43 |
| Prepaid expenses | 6 | 2,343,362 | 3,179,057 | 835,695 | 35.66 |
| Inventory | 7 | 18,132,160 | 16,450,560 | (1,681,600) | (9.27) |
| Assets held for sale | 8 | 2,574,370 | 613,177 | (1,961,193) | (76.18) |
| Other current assets | 9 | 2,023,680 | 1,705,275 | (318,405) | (12.37) |
| Total current assets | 10 | 104,956,194 | 109,381,617 | 4,425,423 | 4.22 |
| Non-current assets | | | | | |

| | | | | | |
|---|-----------|--------------------|--------------------|--------------------|----------------|
| Available-for-sale financial assets | 11 | 5,911,475 | 12,033,351 | 6,121,876 | 103.56 |
| Investments in other enterprises | 12 | 6,085,750 | 4,970,515 | (1,115,235) | (18.33) |
| Land, factories and equipment | 13 | 71,540,214 | 76,824,309 | 5,284,095 | 7.39 |
| Intangible assets | 14 | 3,772,008 | 4,545,904 | 773,896 | 20.52 |
| Prepayment of long-term expenses | 15 | 3,284,168 | 4,613,970 | 1,329,802 | 40.49 |
| Income tax prepayment (profit) | 16 | 4,379,589 | 4,299,986 | (79,603) | (1.82) |
| Other fixed assets | 17 | 2,927,627 | 2,217,933 | (709,694) | (24.24) |
| Total non-current assets | 18 | 97,900,831 | 109,505,968 | 11,605,137 | 11.85 |
| Total assets | 19 | 202,857,025 | 218,887,585 | 16,030,560 | 7.90 |
| Detyrimet dhe Kapitali Liabilities and Capital | | | | | |
| Accounts payable | 20 | 16,709,661 | 7,518,480 | (9,191,181) | (55.01) |
| Short-term loans | 21 | 6,101,125 | 7,627,338 | 1,526,213 | 25.02 |
| Advances received | 22 | 1,616,899 | 1,355,780 | (261,119) | (16.15) |
| Withholding taxes | 23 | 1,114,419 | 1,103,482 | (10,937) | (0.98) |
| Accrual costs | 24 | 10,750,052 | 12,232,143 | 1,482,091 | 13.79 |
| Profit tax payable | 25 | 3,208,583 | 2,052,920 | (1,155,663) | (36.02) |
| Loans and bonds | 26 | 2,298,712 | 1,689,624 | (609,088) | (26.50) |
| Provisions | 27 | 6,383,470 | 5,691,565 | (691,905) | (10.84) |
| Liabilities held for sale | 28 | | 26,898 | 26,898 | |
| Other short-term liabilities | 29 | 443,450 | 10,111,780 | 9,668,330 | 2180.25 |
| Total current liabilities | 30 | 48,626,371 | 49,410,010 | 783,639 | 1.61 |
| Long-term liabilities | | | | | |
| Unsecured bonds | 31 | 1,242,365 | 1,288,004 | 45,639 | 3.67 |
| Long-term loans | 32 | 933,495 | 96,581 | (836,914) | (89.65) |
| Liabilities payable | 33 | 998,537 | 2,433,999 | 1,435,462 | 143.76 |
| Net defined benefit obligations | 34 | 1,757,701 | 191,262 | (1,566,439) | (89.12) |
| Deferred income tax liabilities | 35 | 5,697,310 | 3,892,667 | (1,804,643) | (31.68) |
| Provisions | 36 | 436,771 | 474,295 | 37,524 | 8.59 |
| Other long-term liabilities | 37 | 1,009,628 | 1,427,368 | 417,740 | 41.38 |
| Total liabilities | 38 | 60,702,178 | 59,214,186 | (1,487,992) | (2.45) |
| Equity | | | | | |
| Preferential shares | 39 | 113,207 | 113,486 | 279 | 0.25 |
| Ordinary shares | 40 | 737,276 | 739,097 | 1,821 | 0.25 |
| Premium from shares | 41 | 4,173,119 | 4,183,426 | 10,307 | 0.25 |
| Retained earnings | 42 | 140,813,307 | 161,042,656 | 20,229,349 | 14.37 |
| Other reserves | 43 | (8,963,398) | (12,092,132) | (3,128,734) | 34.91 |
| Other comprehensive income | 44 | | 76,091 | 76,091 | |
| Uncontrolled interest | 45 | 5,281,336 | 5,610,775 | 329,439 | 6.24 |
| Total Equity | 46 | 142,154,847 | 159,673,399 | 17,518,552 | 12.32 |
| Total liabilities and capital | 47 | 202,857,025 | 218,887,585 | 16,030,560 | 7.90 |

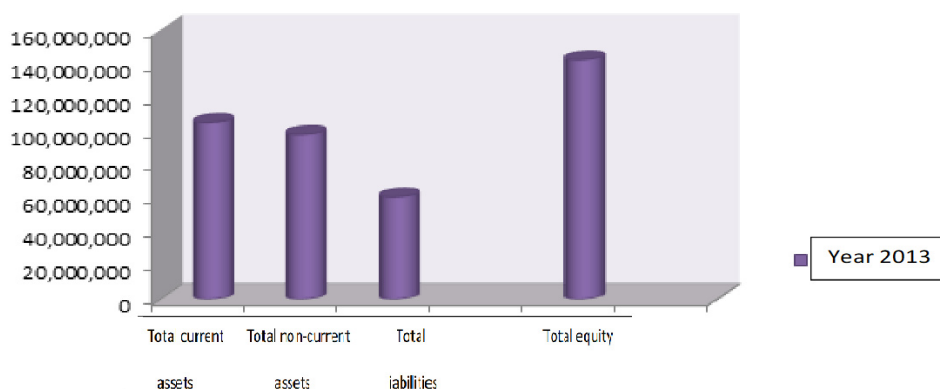


Chart 13. Balance sheet in 2017

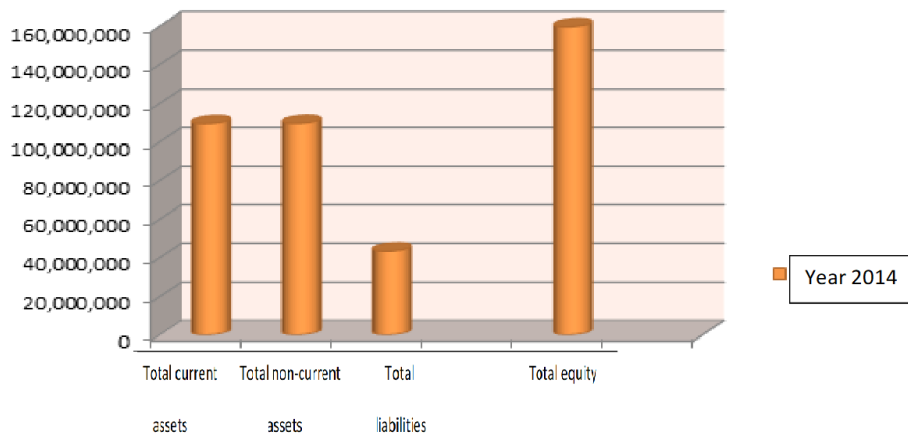


Chart 14. Balance sheet in 2018

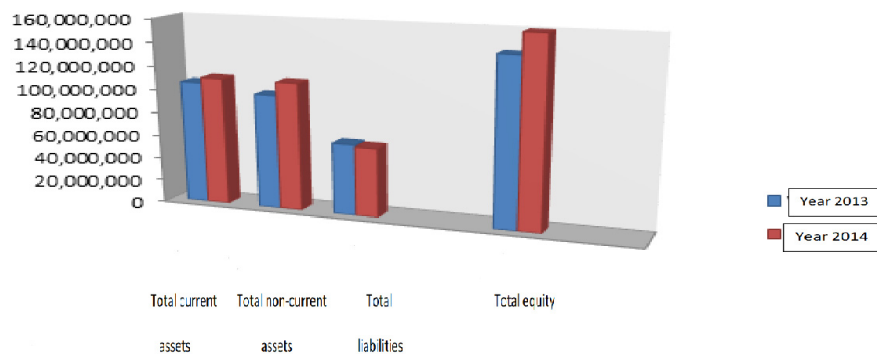


Chart 15. Balance sheet in 2017 and 2018

6.1.2 Horizontal Analysis of SIE

Table 7. Vertical and horizontal analysis of the income and expenditure statement for the years 2017-2018

| Income and Expenditure Statement | | | | | |
|----------------------------------|-----------|------------------|------------------|-------------------|----------------|
| Voices | Counting | Year 2017 | Year 2018 | Amount of rr/z | % of rr/z |
| Revenues from sales | 48 | 216708677 | 195882955 | (20825722) | (9.61) |
| Cost of goods sold | 49 | (130480725) | (121856939) | 8623786 | (6.61) |
| Gross Profit | 50 | 86227952 | 74026016 | (12201936) | (14.15) |
| Operating expenses | 51 | (51370553) | (50253744) | 1116809 | (2.17) |
| Operating Profit | 52 | 34857399 | 23772272 | (11085127) | (31.80) |
| Financial income | 53 | 1469509 | 2707288 | 1237779 | 84.23 |
| Profit before tax | 54 | 36353908 | 26479560 | (9874348) | (27.16) |
| Income tax expense | 55 | (7476087) | (4256366) | 3219721 | (43.07) |
| Profit of the year | 56 | 28877821 | 22223194 | (6654627) | (23.04) |

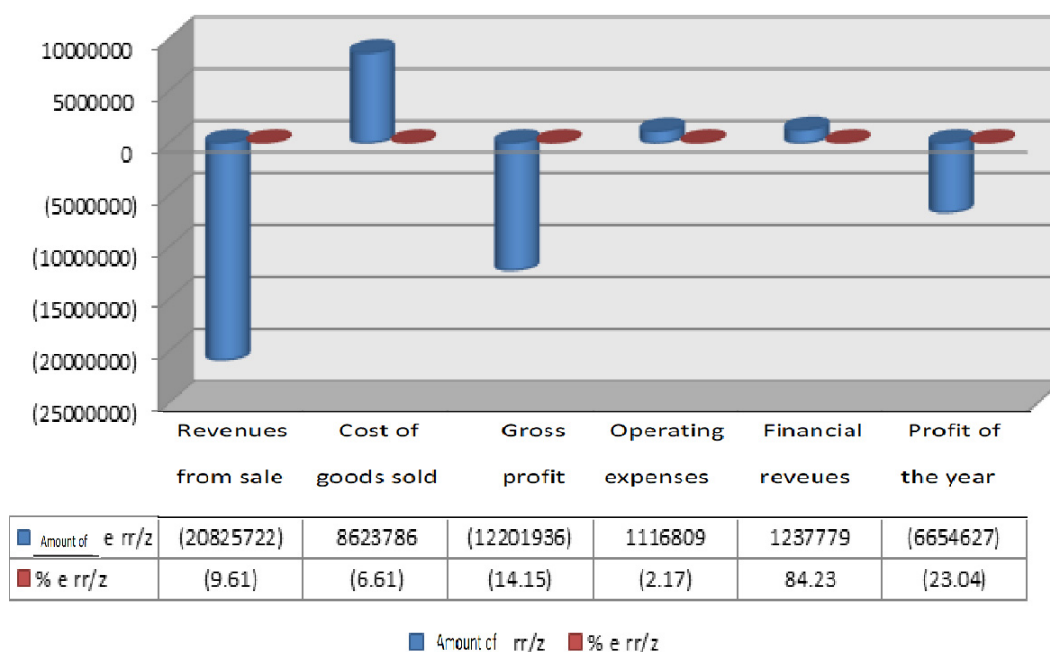


Chart 18. Horizontal analysis of the income and expenditure statement for the years 2017-2018

6.2 Vertical Analysis for the Period 2017-2018

6.2.1 Vertical Balance Sheet Analysis

Table 8. Vertical analysis of the balance sheet for the years 2017-2018

| Balance Sheet | | | |
|---|-----------------|---------------|---------------|
| Balance Sheet Items | Counting | % | % |
| Assets (Balance Sheet Assets) | | | |
| <i>Current assets</i> | | | |
| Money and its equivalents | 1 | 7.61 | 7.31 |
| Short-term financial instruments | 2 | 17.15 | 18.09 |
| Available-for-sale financial assets | 3 | 0.70 | 1.43 |
| Accounts receivable | 4 | 13.02 | 12.25 |
| Advances | 5 | 0.90 | 0.86 |
| Prepaid expenses | 6 | 1.16 | 1.45 |
| Inventory | 7 | 8.94 | 7.52 |
| Assets held for sale | 8 | 1.27 | 0.28 |
| Other current assets | 9 | 1.00 | 0.78 |
| Total current assets | 10 | 51.74 | 49.97 |
| <i>Non-current assets</i> | | | |
| Available-for-sale financial assets | 11 | 2.91 | 5.50 |
| Investments in other enterprises | 12 | 3.00 | 2.27 |
| Land, factories and equipment | 13 | 35.27 | 35.10 |
| Intangible assets | 14 | 1.86 | 2.08 |
| Prepayment of long-term expenses | 15 | 1.62 | 2.11 |
| Income tax prepayment (profit) | 16 | 2.16 | 1.96 |
| Other fixed assets | 17 | 1.44 | 1.01 |
| Total non-current assets | 18 | 48.26 | 50.03 |
| Total assets | 19 | 100.00 | 100.00 |
| Liabilities and Equity (Balance Sheet Liabilities) | | | |
| <i>Short-term liabilities</i> | | | |
| Accounts payable | 20 | 8.24 | 3.43 |
| Short-term loans | 21 | 3.01 | 3.48 |

| | | | |
|--|-----------|---------------|---------------|
| Advances received | 22 | 0.80 | 0.62 |
| Withholding taxes | 23 | 0.55 | 0.50 |
| Accrual costs | 24 | 5.30 | 5.59 |
| Profit tax payable | 25 | 1.58 | 0.94 |
| Loans and bonds | 26 | 1.13 | 0.77 |
| Provisions | 27 | 3.15 | 2.60 |
| Liabilities held for sale | 28 | | 0.01 |
| Other short-term liabilities | 29 | 0.22 | 4.62 |
| Total current liabilities | 30 | 23.97 | 22.57 |
| Long-term liabilities | | | |
| Unsecured bonds | 31 | 0.61 | 0.59 |
| Long-term loans | 32 | 0.46 | 0.04 |
| Liabilities payable | 33 | 0.49 | 1.11 |
| Net defined benefit obligations | 34 | 0.87 | 0.09 |
| Deferred income tax liabilities | 35 | 2.81 | 1.78 |
| Provisions | 36 | 0.22 | 0.22 |
| Other long-term liabilities | 37 | 0.50 | 0.65 |
| Total long-term liabilities | 38 | 5.95 | 4.48 |
| Total liabilities | 39 | 29.92 | 27.05 |
| Equity | | | |
| Preferential shares | 40 | 0.06 | 0.05 |
| Ordinary shares | 41 | 0.36 | 0.34 |
| Premium from shares | 42 | 2.06 | 1.91 |
| Retained earnings | 43 | 69.42 | 73.57 |
| Other reserves | 44 | (4.42) | (5.52) |
| Other comprehensive income held for sale | 45 | | 0.03 |
| Uncontrolled interest | 46 | 2.60 | 2.56 |
| Total Equity | 47 | 70.08 | 72.95 |
| Total liabilities and capital | 48 | 100.00 | 100.00 |

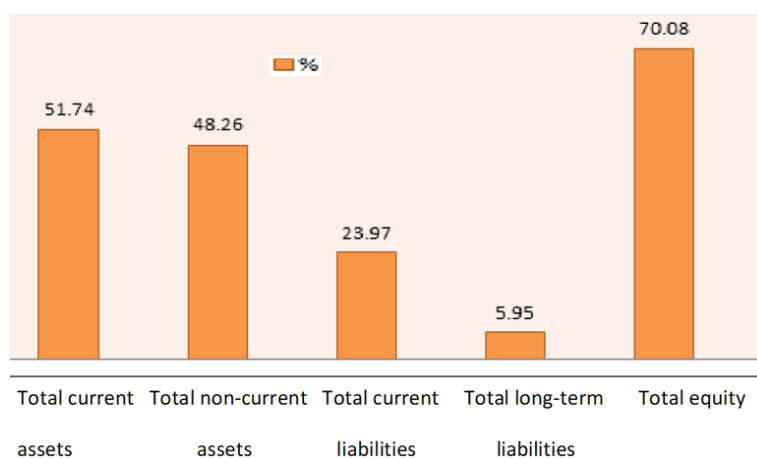


Chart 19. Percentage of assets, liabilities and capital growth 2017

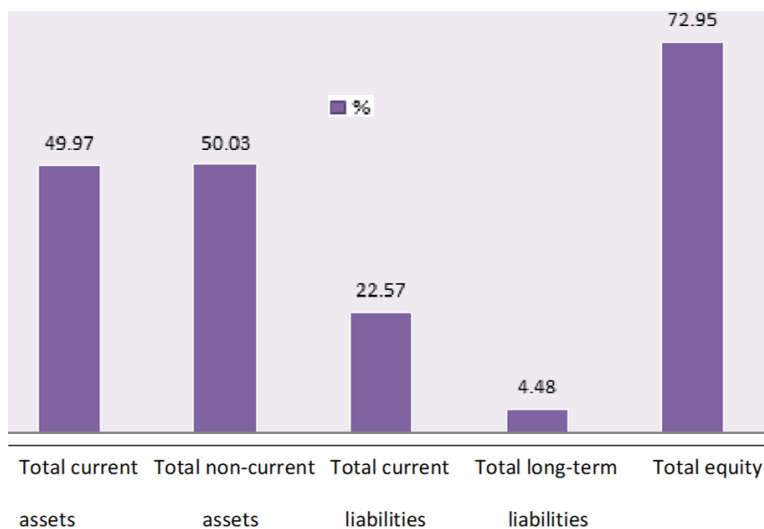


Chart 20. Percentage increase in assets, liabilities and capital 2018

6.2.2 Vertical Analysis of the Income Statement

Table 9. Vertical analysis of the income statement for the years 2017-2018

| Income and Expenditure Statement | | | |
|---|-----------------|---------------|---------------|
| <i>Voices</i> | <i>Counting</i> | <i>%</i> | <i>%</i> |
| Revenues from sales | 49 | 100.00 | 100.00 |
| Cost of goods sold | 50 | (60.21) | (62.21) |
| Gross Profit | 51 | 39.79 | 37.79 |
| Operating expenses | 52 | (23.70) | (25.65) |
| Operating Profit | 53 | 16.08 | 12.14 |
| Financial income | 54 | 0.68 | 1.38 |
| Profit before tax | 55 | 16.78 | 13.52 |
| Income tax expense | 56 | (3.45) | (2.17) |
| Profit of the year | 57 | 13.33 | 11.35 |

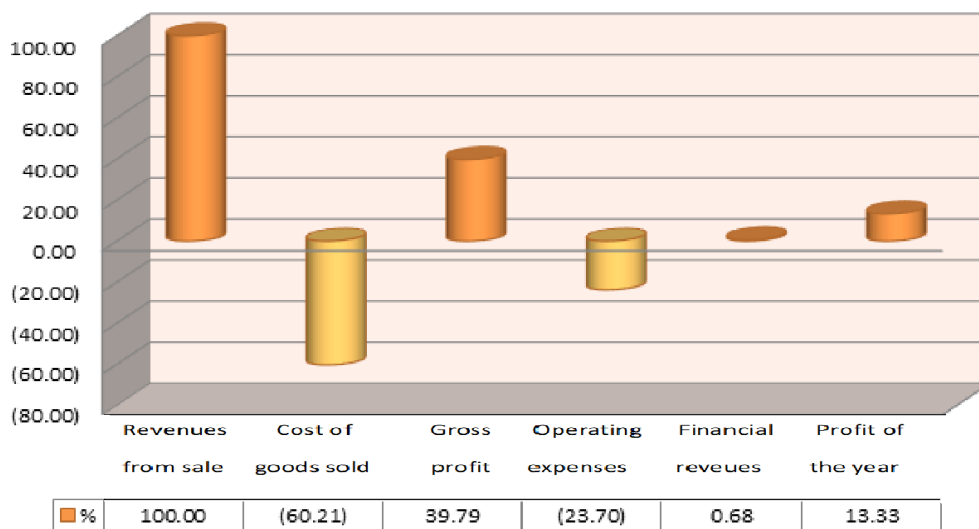


Chart 21. Vertical analysis of the income and expenditure statement for 2017

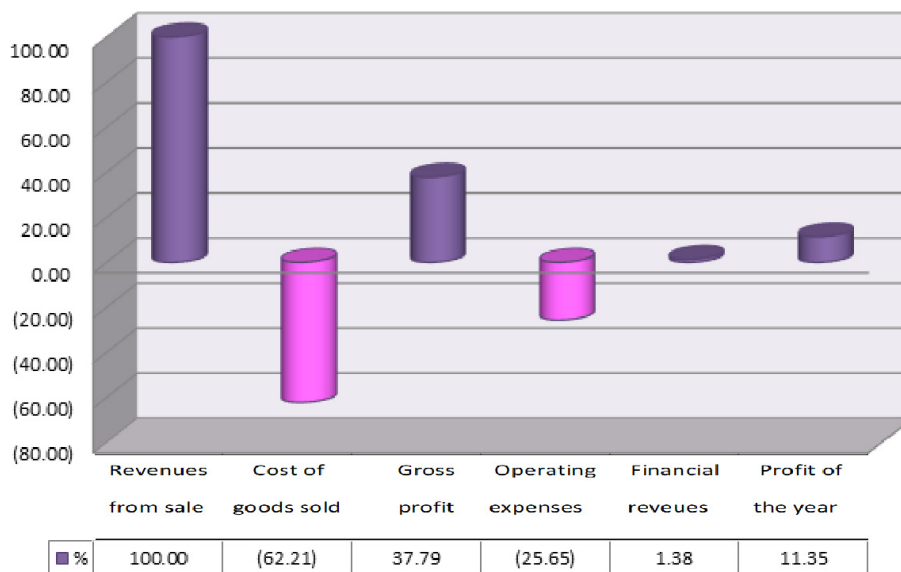


Chart 22. Vertical analysis of the income and expenditure statement for 2018

7. Commenting of the Results from the Analysis for the Year 2015 - 2018

7.1 Conclusions for Horizontal Analysis

From the analysis made for the business of "Samsung" we notice that 2016 was more successful than 2015, through these analyzes we conclude that wealth in 2016 increased by € 23,593,789 or 13.96% compared to 2015, respectively current assets increased by € 14,720,338 or 22.05% and non-current assets € 8,873,451 or 11.27% similarly occurred with liabilities, it increased by € 23,593,789 or 16.22%, liabilities increased by € 4,765,878 or 9.37% including short-term liabilities in the amount of € 2,440,517 or 5.90% and long-term ones by € 2,325,361 or 24.50%, even equity has increased in the amount of € 18,827,911 or 19.91%.

We note that financial assets available for sale is the item that has experienced the most increase, specifically 91.91%, followed by other fixed assets by 64.49%, short-term financial instruments by 50.89% and so on, so we can conclude that "Samsung" has invested in different forms the profit of last year but also that a part of these investments are financed from external sources since we have increased liabilities, during 2016 they have increased by € 4,765,878 or 9.37%, namely short-term liabilities are increased by € 2,440,517 or 5.90% and long-term liabilities by € 2,325,361 or 24.50%, withholding tax is the item that has decreased the most by 43.65% but we have an enormous increase of profit tax payable by 155.22%, ie the company despite the fact that it does not endanger liquidity has not fulfilled its obligations. Within equity, we have an increase of 19.91% or € 18,827,991, during this year "Samsung" has not issued any regular or ordinary shares, while the increase of the retained profit by 22.91% is noticeable

Revenues from sales in 2016 were higher than in 2015 by € 33,705,388 or 21.88%, generally all expenses were higher, KMSH increased by 12.94%, operating expenses by 22.01% while financial revenues decreased by 44.06%. The net profit in 2016 is higher compared to 2015 by € 9,416,716 or 73.31%.

From the analysis of the years 2017-2018 we notice that assets in 2018 increased by € 16,030,560 or 7.90%, within it current assets increased by € 4,425,423 or 4.22% and non-current assets by € 11,605,137 or 11.85%. Liabilities this year decreased by € 1,478,992 or 2.45%, respectively short-term liabilities increased by only € 783,639 or 1.61% while equity increased by € 17,518,552 or 12.32%. Within the structure of assets, financial assets available for sale (short-term and long-term) are the items with the highest increase, and intangible assets have increased in 2018 compared to 2017 by 20.52%, it is important to note that the inventory of goods is decreased by 9.27%, maybe even "Samsung" is applying the method "Just In Time" or has controlled more production by selling from last year's stocks. In terms of liabilities, long-term loans have decreased the most by 89.65%, short-term accounts have decreased by 55.01%, generally during this year the company has significantly fulfilled liabilities to partners, financing is mainly done from internal sources, during this year "Samsung" has issued regular and preferred shares at the same percentage of 0.25%, retained earnings for this period increased by 14.37%.

Revenues from sales for the accounting period 2018 are lower by € 20,825,722 or 9.61% compared to 2017, the cost of goods sold together with operating expenses have decreased by 6.61% and 2.17% respectively, financial revenues have increased for 84.23%, while the net profit is lower for 6,654,6277 or 23.04%.

7.2 Conclusions for Vertical Analysis

Based on the results of the vertical analysis of the years 2015-2016 we see that current assets in 2016 participate in total assets with 48.20% while in 2015 with 45.89%, current assets in 2016 participate in total 51.80% and in 2015 with 54.11%, in this structure land, factory and equipment has the largest share in both periods 39.82% (2015) and 37.82% (2016), followed by accounts receivable 15.50% (2015) and 14.73% (2016) this item carries the potential risk of turning into bad debt in case of non-collection, while money participates with 9.43% (2015) respectively with 10.38% (2016). Liabilities have a share of 32.91% in the total liabilities for 2016, while for 2015 with 34.97%. During these two years, the participation within the structure of liabilities does not have much movement, for 2015 short-term liabilities participate with 28.45% and long-term liabilities with 6.53%, while in 2016 with 25.92% respectively 6.99%. If we take into account all items of liabilities, accounts payable have the largest share with 11.88% (2015) and 9.33% (2016). The equity share in the balance sheet liability is 65.03% (2015) and 67.09% (2016). Within the equity category, the items of preferred and regular shares do not differ much if we compare their participation in both periods for the fact that the enterprise during this period did not issue any type of share. Preferred shares participate 0.8% (2015) and 0.7% (2016), while ordinary shares 0.50% (2015) and 0.43% (2016). Slightly larger change is observed in retained earnings which in the total liabilities for 2015 participates 62.66%, while 66.26% for 2016.

In terms of income statement, the cost of goods sold participates in sales revenues 67.97% in 2015 and 62.98% in 2016, while gross profit 32.03% participates in sales revenues for 2015, slightly different there is also 2016 where the share of gross profit in sales revenues is 37.02%. Operating expenses have almost the same share in both years 22.55% (2015) and 22.58% (2016), operating profit for 2015 participates 9.48% in sales revenues, while 14.44% in 2016. Of total revenues 11.86% remain net profit in 2016 while 8.34% in 2015.

From the vertical analysis of 2017-2018 we see that the share of current and non-current assets in total assets is almost proportional, in 2017 the share of current assets is 51.74% and non-current assets 48.26%, while in 2018 current assets participate 49.97% and non-circulating 50.03%. Within this category, the largest share is occupied by land, factories and equipment with 35% in both periods, from this result we can conclude that the company has made investments in this item since it has not been reduced by depreciation but has increased compared to 2017. Other items with higher participation are short-term financial instruments with participation 17.15% (2017) and 18.09% (2018), and accounts receivable with participation 13.02% (2017) and 12.25% (2018) which carry the risk of turning into bad debt due to the possibility of non-collection. In the balance sheet liabilities participate with 29.92% in 2017 and 27.25% in 2018, concretely short-term liabilities participate with 23.97% in 2017 and 22.57% in 2018, while long-term liabilities participate with 5.95% in 2017 and 4.48% in 2018. None of the liabilities items have a significant share, however what can be noticed is that "Samsung" has proved to be a trusted partner as it has largely paid the liabilities to accounts payable, this is evidenced by the percentage of participation, in 2017 accounts payable had a share of 8.24% while in 2018 the share was 3.43%. The equity share in the balance sheet liability for 2017 is 70.08% while in 2018 it is 72.95%, the largest share within the equity is occupied by the retained profit with 69.42% in 2017 and 73.57% in 2018.

From the analysis of the financial statement it results that the share of costs of goods sold is 60.21% in 2017 and 62.21% in 2018, gross profit participates with 39.79% (2017) and 37.79% (2018), the share of operating expenses in its total revenue is 23.70% (2017) and 25.65% (2018). As it is noticed the difference of the percentage of items between the two periods varies by 2%, the same happens with the net profit, in 2017 the share of net profit in sales revenue is 13.33% while in 2018 it is 11.35%.

8. Results Obtained from the Hypotheses Laid out

8.1 Testing the First Hypothesis

Understanding investment growth as a potential growth of the overall enterprise represents the purpose of achieving this paper. The first hypothesis was that the increase in foreign investment, as Samsung did during the 2015-2018 period, will have a positive impact on the growth of the enterprise.

Thus from hypothesis testing we derive the null hypothesis and the alternative hypothesis. They are as follows:

H1o The growth of foreign investment as Samsung did during the period 2015-2018, will have a positive impact on the growth of entrepreneurship

H1a: The increase in foreign investment, as Samsung did during the 2015-2018 period, will negatively affect the growth of the enterprise.

To test this hypothesis, Regression analysis was used, which results in:

Table 10. Regression analysis first hypothesis-Anova

| Model Summary ^b | | | | | Change Statistics | | | | |
|----------------------------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .436 ^a | .190 | .162 | .763 | .190 | 6.758 | 4 | 115 | .000 |

a. Predictors: (Constant), Availability of resources for specific departments of the enterprise, Achievement of the enterprise to arouse investment interest, Foreign investments and their distribution in the enterprise, Distribution of planned resources of potential investment

b. Dependent Variable:

Increased foreign investment and its impact on entrepreneurship

Table 11. Regression analysis first hypothesis-Anova

| ANOVA ^a | | | | | | |
|--------------------|------------|----------------|-----|-------------|-------|-------------------|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 15.719 | 4 | 3.930 | 6.758 | .000 ^b |
| | Residual | 66.872 | 115 | .581 | | |
| | Total | 82.592 | 119 | | | |

a. Dependent Variable:

Increased foreign investment and its impact on entrepreneurship

b. Predictors: (Constant), Availability of resources for specific departments of the enterprise, Achievement of the enterprise to arouse investment interest, Foreign investments and their distribution in the enterprise, Distribution of planned resources of potential investment

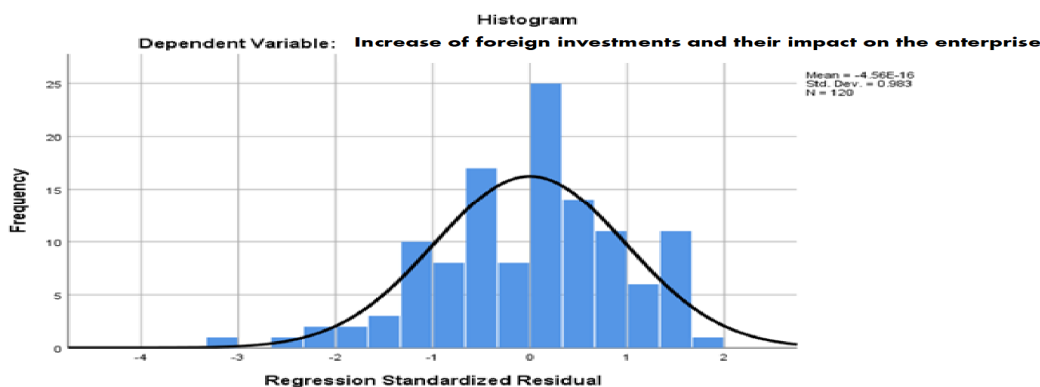


Chart 23. Regression analysis first hypothesis-Histogram

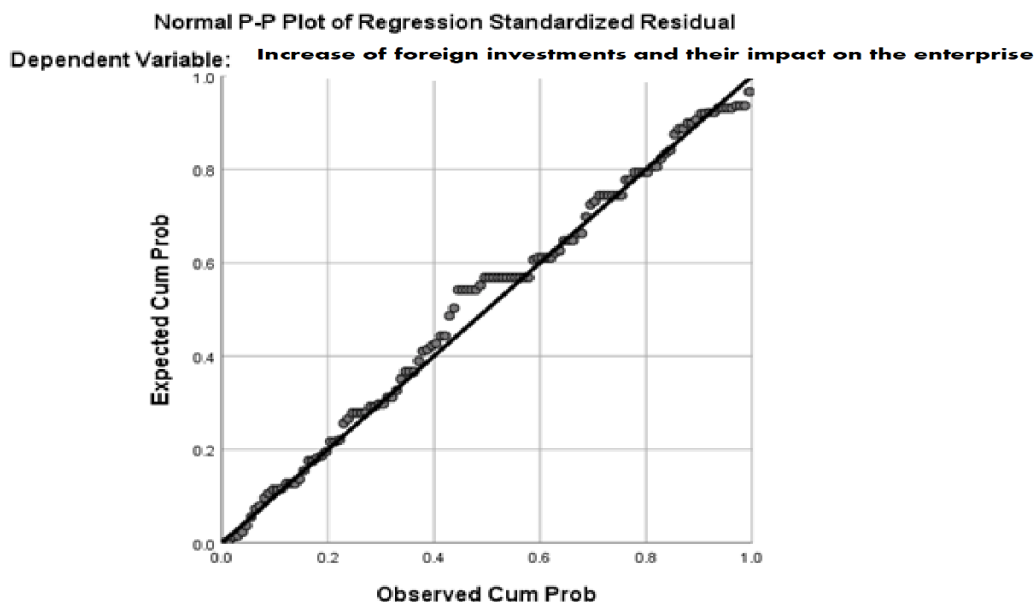


Chart 24. Regression analysis first hypothesis- Normal probability plot

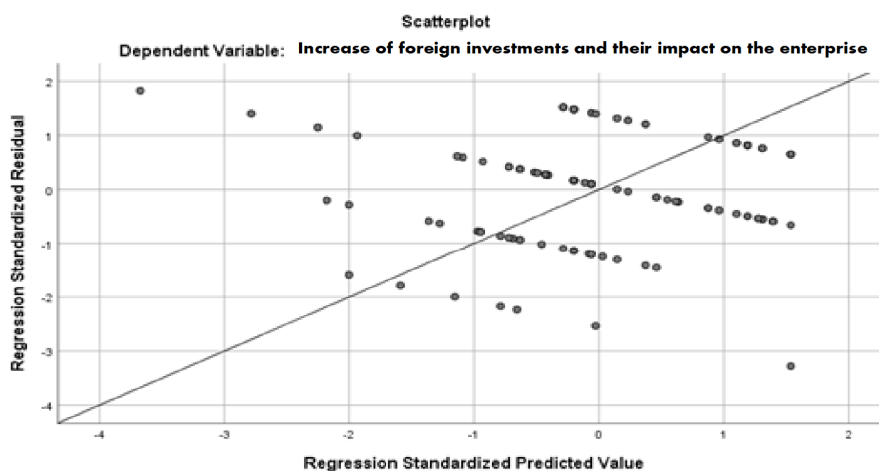


Chart 25. Regression analysis first hypothesis

For the first hypothesis the value of R Square turns out to be 0.190 and the significance level is 0.

This makes us understand that the impact of foreign investment growth and its impact on entrepreneurship can be determined or predicted by 19.0%.

So there is a big impact of workers' desire for investment. Independent variables such as the availability of resources for specific departments of the enterprise, the achievement of the enterprise to arouse investment interest, foreign investment and their distribution in the enterprise, the distribution of resources planned potential investment, mark a major impact. The value "Sig.000" confirms this result because $P < 0.05$.

So, Hypothesis H1o: The increase of foreign investments as Samsung did during the period 2015-2018, will have a positive impact on the growth of the enterprise, it is accepted according to the Program used SPSS and the model used: Regression. The null hypothesis is approved and the alternative hypothesis is rejected.

8.2 Testing of the Second Hypothesis

The Second Hypothesis

Identifying how the increase in accounts receivable and the decrease in accounts payable by employees would affect the next goal of this paper. The second hypothesis was: Increasing accounts receivable and reducing accounts payable in the enterprise, would positively affect the enterprise

Thus from hypothesis testing we derive the null hypothesis and the alternative hypothesis. They are as follows:

H2o: Increasing accounts receivable and reducing accounts payable in the enterprise, would have a positive impact.

H2a: Increasing accounts receivable and reducing accounts payable in the enterprise would have a negative impact.

To test this hypothesis, Regression analysis was used, which results in:

Table 12. Regression analysis second hypothesis-Anova

| Model Summary ^b | | | | | | | | | |
|----------------------------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .508 ^a | .258 | .232 | .773 | .258 | 9.977 | 4 | 115 | .000 |

a. Predictors: (Constant), Willingness to Increase Sales on Its Investment Growth, Decrease Accounts payable on Enterprise, Willingness to Reduce Its Purchases on Investment Growth, Increase Accounts Receivable on Venture

b. Dependent Variable: Increase accounts receivable and decrease accounts payable

Table 13. Regression analysis second hypothesis-Anova

| ANOVA ^a | | | | | | |
|--------------------|------------|----------------|-----|-------------|-------|-------------------|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 23.853 | 4 | 5.963 | 9.977 | .000 ^b |
| | Residual | 68.738 | 115 | .598 | | |
| | Total | 92.592 | 119 | | | |

a. Dependent Variable: Increase accounts receivable and decrease accounts payable

b. Predictors: (Constant), Willingness to Increase Sales on Its Investment Growth, Decrease Accounts payable on Enterprise, Willingness to Reduce Its Purchases on Investment Growth, Increase Accounts Receivable on Venture

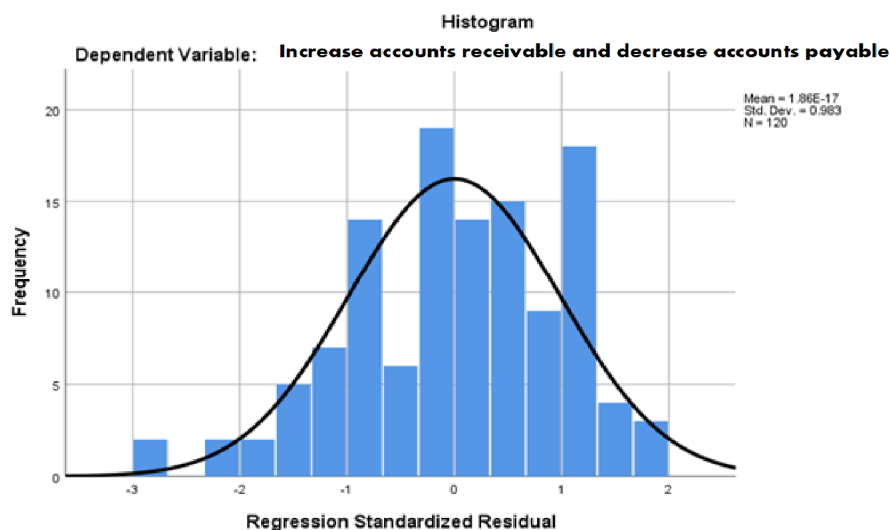


Chart 26. Regression analysis second hypothesis-Histogram

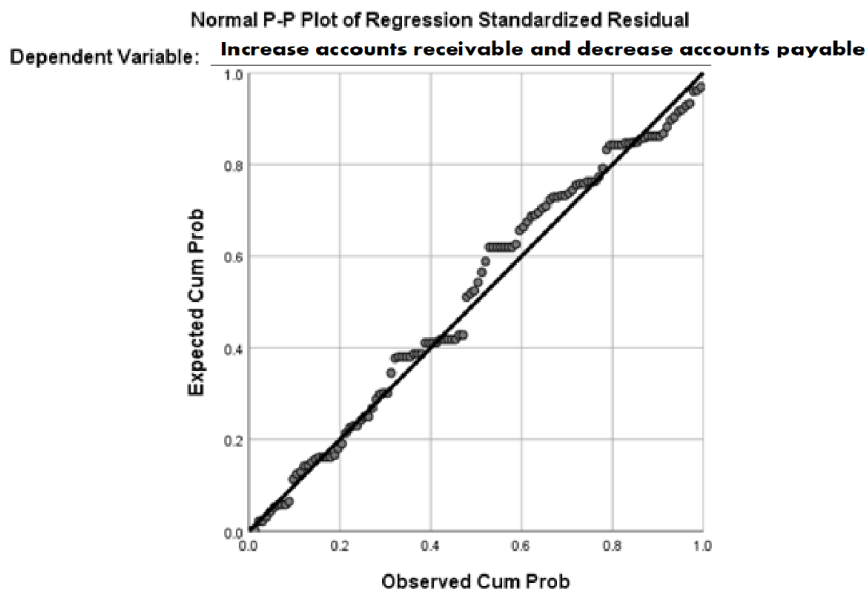


Chart 27. Regression analysis second hypothesis- Normal probability plot

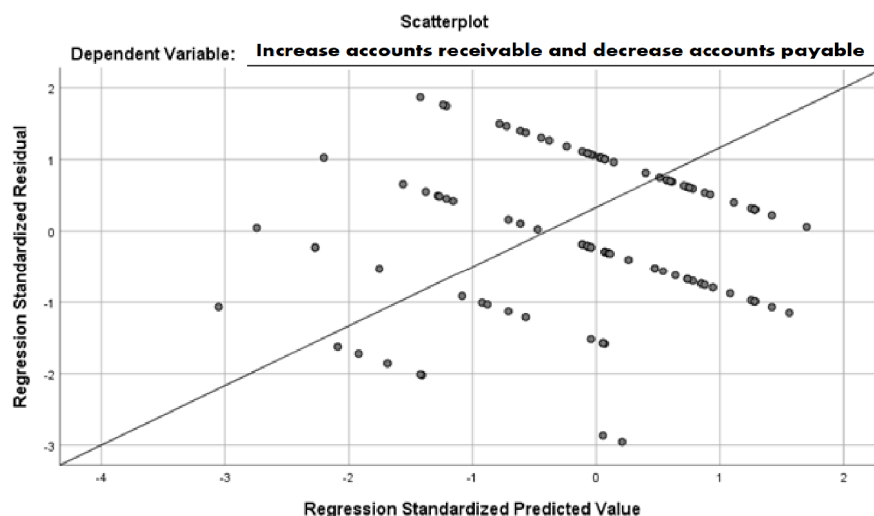


Chart 28. Regression analysis second hypothesis For the second hypothesis the value of R Square turns out to be 0.258 and the significance level is 0. This makes us understand that employees think that accounts receivable should be increased and accounts payable in the enterprise should be reduced, this can be determined or projected for 25.8%

So there is a big impact of workers' desire for changes in financial investment plans. of investment, Addition of accounts receivable in the enterprise, mark a major impact. The value "Sig.000" confirms this result because $P < 0.05$.

So, H2o Hypothesis: Increasing accounts receivable and decreasing accounts payable in the enterprise, would positively affect the enterprise, accepted according to the Program used SPSS and the model used: Regression. The null hypothesis is approved and the alternative hypothesis is rejected.

9. Conclusions

The financial analysis is performed with a detailed and objective purpose, for the evaluation and analysis of the results of past financial enterprises, and their forecasts for the future. Financial analysis is extremely important and should be applied when investing and in venture capital.

With financial analysis, investors evaluate their investments in the company and try to detect possible mistakes of the existing management of the company. With financial analysis, investors try to identify undervalued companies, compared to the potential you have. Financial statement analysis is used by investors to forecast the company's future cash flows, or to reduce the unpredictability of future cash flows. With financial analysis, investors not only analyze and not only predict future cash flows, but they are predicting future liquidity situation, profitability, debt and company activities.

We conclude that Samsung from 2015 to 2018 has aimed to increase foreign investment. From the research we conclude that the workers emphasize that the increase of foreign investments, even if they bring high potential for the growth of bad debts, they still increase the tendency for the enterprise to gain growth potential. It has been observed from research that in order for this increase in foreign investment to work, the number of clients must increase. This has been seen with the increase in receivables and the decrease in accounts payable.

10. Recommendations

The recommendations generated are as follows:

1. Increase foreign investment as in research we note that the share of current and non-current assets in total assets is almost proportional and has increasing potential.
2. Maintain the same operating expenses as Samsung has done so far, and keep operating profit high as shown in the Income Statement.
3. Continue to increase receivables by increasing the potential for customer growth.
4. Keep the accounts payable as low as Samsung as participation within the liability structure has great momentum.

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