OBJECTIVES OF THE STUDY

1. For management, it helps in making a sound financial decision.

2. The investors are concerned with the safety of their investment. They are interested in analyzing the short term as well as long term financial position to determine about the safety and profitability of their investment.

3. Bankers are interested in analyzing the different sources of finance used by the company before granting loans and advances for the safety of their amount.

4. Creditors are interested in appraising the short-term financial position of the company to determine the safety of their principle and interest thereon.

5. Government is interested in analyzing the capital structure of the company for the purpose of taxation, interest of labour, lender of the company and any other social liability of the company.

6. The analysis of capital structure is also useful for the purpose of the economists, lenders, employees and general public etc.