## Value
- They are used because they are **easy** to calculate, **SIMPLE**.
- They can be carried out very **quickly**
- **Ideal for comparisons**
- **Decision making** because they highlight strengths and weaknesses in the organization

## Limitations
- Be **careful with comparisons** because comparing the **same company over time** means assuming the company stays the same; and this ain’t always the case. **Interfirm comparisons** need to be made carefully too because the nature of the business comes into play, size, etc.
- The balance sheet may not be representative of the business’s circumstances through the whole year.
- **Qualitative information ignored**
- **Accuracy** of data (inflation, window dressed)

## Window Dressing
**why?**
- Keep shareholders happy
- Find investors
- Difficulties lead to worst case scenario
- Less taxes
- Selling the business

**how?**
Manipulating Sales, Costs and depreciation, Extraordinary items (goodwill), Bad debts, Changing asset values, Boosting liquidity, Current assets and liabilities

This is known as the manipulation of a business’s own accounts (legally) to present different financial pictures.