

FINANCIAL ANALYSIS WITH THE LONG-TERM COMPETITIVE ADVANTAGE

Assoc. Prof. Dr Nadya Kostova

Abstract

With respect to the financial measurement of the long-term competitive advantage, a number of studies show that there are ignored the long-term strategy and the indicators determining longterm success, and there is paid attention mostly to the profitability of the enterprise. The long-term competitive advantage is measured and assessed by means of the tools of financial analysis. Financial indicators must be viewed in their complexity while taking into consideration the specific character of the enterprise and the precision of the drawing up of the financial statements. For the measurement and analysis of the long-term competitive advantage there are used the indicators, found in the main components of the annual financial statement: the balance sheet (statement of financial condition), the profit and loss statement (the comprehensive income statement) and the cash flow statement. The data from the long-term analysis creates an early warning indicator against possible issues of the enterprise.