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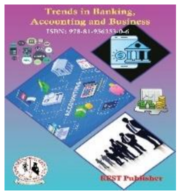

A Study on Financial Risk Management with Special Reference to Titan Watches, Hosur

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Abstract: *Finance is so essential today that it is rightly said that it is the lifeblood of an enterprise without adequate finance no enterprise can possibly accomplish. The present study is an attempt to make financial risk management of Titan watches Hosur. Financial statements are used as a management tool by a company investor. Benefits and costs should constitute an integral and explicit component of the overall managerial decision-making process. The main objective of this study is to know about the company's financial performance by identifying the firm's strengths and weakness and the way in which theoretical accounting procedures are put into practical usage. It indicates whether the organization has been improving or worsening in past years. The main objective of this study is to know about the financial risk assessment of the company by avoidance, mitigation, acceptance, and transfer it indicates whether the organization is improving or worsening in past years. Research methodology the data used in this project of secondary nature. The analysis used in this project has been done using selective technical tools like Ratios, Comparative balance sheets, and trend analysis. The changes can be observed by comparing the balance sheet at the beginning and end of the period and these will help to changes in forming an opinion about the evolution of the company. The study has been undertaken for a period of five years from 2018 to 2022.*

1. INTRODUCTION

Financial risk management is the practice of protecting economic value in a firm by managing exposure to financial risk - principally operational risk, credit risk and market risk, with more specific variants as listed aside. As for risk management more generally, financial risk management requires identifying its sources, measuring it, and the plans to address them. Financial risk management as a "science" can be said to have been born with modern portfolio theory, particularly as initiated by Professor Harry Markowitz in 1952 with his article, "Portfolio Selection" see Mathematical finance Risk and portfolio management: the P world. Financial risk management can be qualitative and quantitative. As a specialization of risk management, financial risk management focuses on when and how to hedge, often using financial instruments to manage costly exposures to risk.

2. OBJECTIVES OF THE STUDY

- To Identifies and analysis various risk associated with business.
- To Reduce and eliminate harmful threats.
- To Supports efficient use of resources.
- To Reassures stakeholders.
- To Support continuity of organization

3. SCOPE OF THE STUDY

- Expected outcomes of the risk process
- Time and location
- Inclusions and exclusions
- Risk assessment tools and techniques
- Resources, responsibilities and records

4. LIMITATIONS OF THE STUDY

- Risk management complex calculations in terms of managing risks. Without the automatic tool, each and all calculations regarding risks become difficult.

- If the organization meddles with a loss, then that pay will be delivered to the pay loss of the firm. The organization is responsible for the loss that happened due to improper schedule about risk management.
- Managing risks depends on the external entities that are modulated within the organization.

5. LITERATURE REVIEW

C.A. Wolf, J.(2020) Analyzed that the revenue and cost volatility with resulting tight profit margins in dairy farming, it is increasingly important to measure, monitor, and understand farm financial risk. Solvency, liquidity, debt repayment capacity, and financial efficiency measures can reveal potential problem areas and assist in financial risk management. Financial risk is defined as uncertainty about interest rates, willingness of lender to keep or put money into the business, ability to meet cash flow needs, and the market value of collateral.

Arunabh Mitra Rajib Shaw (2021) analyzed and documented that the rapid changes in socio-economic and environmental factors worldwide have resulted in natural and man-made disasters becoming increasingly difficult to manage. The emergence of systemic threats that are cross-border, complex, ambiguous, and uncertain in nature, such as the ongoing COVID-19 pandemic, has made traditional risk management methods inadequate.

K.K.Myers(2020) emphasizes the need for comprehensive and proactive risk management methods that can address the challenges posed by systemic vulnerabilities, rather than reactive and fragmented approaches. The research identifies crucial turning points in India's disaster management history and explores the prospects for improved disaster risk governance in the country. The report underlines good advances in disaster administration in India, but it also emphasizes the need for more systemic development in overall disaster risk management.

Quang Khai Nguyen (2019) analyzed that this study analyzes the effectiveness of bank risk management in ASEAN countries and examines the specific role of risk governance in enhancing a bank's risk management effectiveness. Our results show that the risk management effectiveness of banks in ASEAN countries is low. Furthermore, by focusing on the insolvency risk, credit risk, and operational risk management of banks in ASEAN countries, the dynamic panel models using the two-step GMM method provide evidence that risk governance structure and its effectiveness positively correlate with risk management effectiveness in banks.

6. RESEARCH METHODOLOGY

Research methodology is a way of explaining how a researcher intends to carry out their research. It's a logical, systematic plan to resolve a research problem. A methodology details a researcher's approach to the research to ensure reliable, valid results that address their aims and objectives. It encompasses what data they're going to collect and where from as well as how it's being collected and analyzed.

7. DATA ANALYSIS

TABLE 1. Current ratio

Year	Current assets	Current liabilities	Current ratio
2018	760101	431538	1.76
2019	958730	546193	1.76
2020	953483	524388	1.82
2021	13197	7714	1.71
2022	17454	10512	1.66

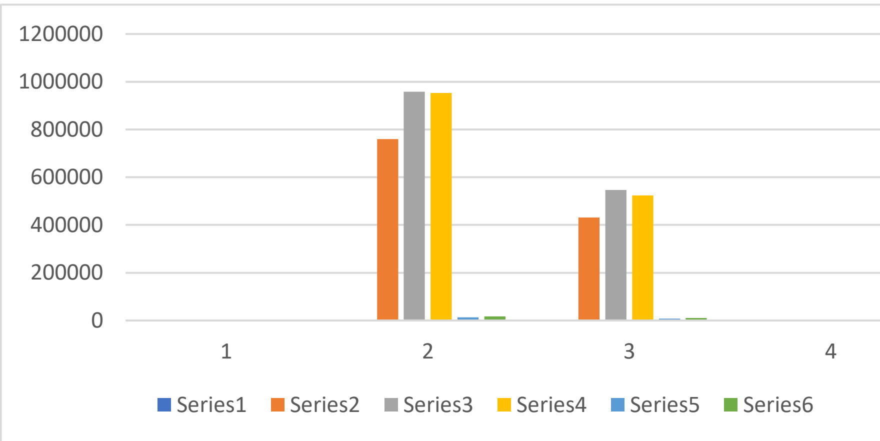

FIGURE 1

The above table shows that the current ratio was 1.76 during the year 2018. During the year of 2019 it was stable the same. During the year of 2020 current ratio was increased from 1.76 to 1.82. During 2021 the current ratio was decreased from 1.82 to 1.71. Again, the current ratio was decreased from 1.71 to 1.66.

TABLE 2. Activity Ratio

Year	Net sales	Working capital	Activity ratio
2018	1615595	4301	375.6
2019	1977852	2895	683.2
2020	2000964	1072	1866.6
2021	21644	19	1139.2
2022	26799	69	388.4

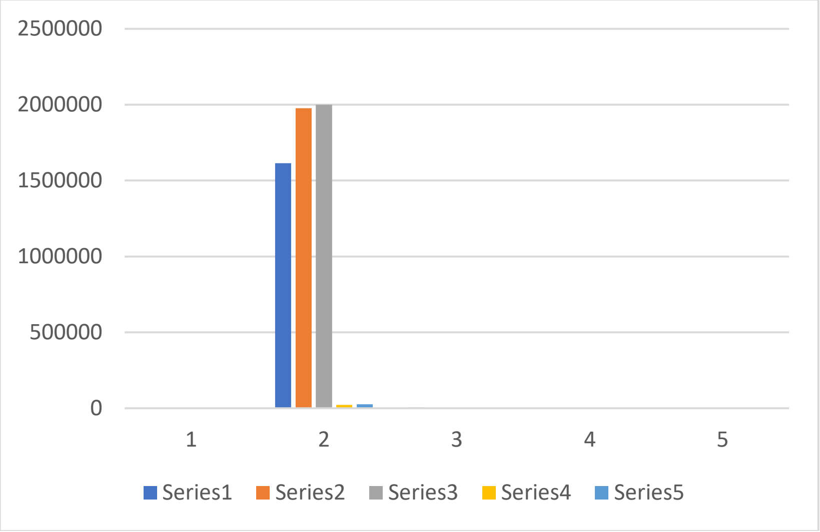

FIGURE 2

The above table shows that the activity ratio was 375.6 during 2018. The highest activity ratio was obtained in the year 2020 1866.6. In the year 2021 the activity ratio decreased from 1866.6 to 1139.2. In the 2022 the activity ratio was 388.4.

FINDINGS:

- The current ratio was higher in the year 2020.
- The current ratio was 1.76 during the year 2018.
- During the year of 2020 current ratio increased from 1.76 to 1.82.
- During 2021 the current ratio decreased from 1.82 to 1.71. Again, the current ratio decreased from 1.71 to 1.66.
- The above table shows that the activity ratio was 375.6 during 2018.
- In the year 2021 the activity ratio decreased from 1866.6 to 1139.2. In 2022 the activity ratio was 388.4.

SUGGESTIONS:

- The objective and how it can be achieved through Risk management process.
- Risk management analysis should be followed regularly by the financial department.
- Reports, Statement and other record should be maintained if any information is needed.

8. CONCLUSION

Risk management is an important process that managers should maintain in an organization. It is inevitable to take risks and managers should have better strategies to deal with risks. The long-term survival of an organization depends on the ability to manage risks.

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