

Net worth statement, income statement and performance of goat rearing business in Maharashtra

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ABSTRACT

Study was carried out during the year 2010-11 in Osmanabad district of Maharashtra. About 60 goat rearers were randomly selected from ten villages of two tehsils of Osmanabad district of Maharashtra. Data were collected by personal interview method by using pretested schedule. The results revealed that, average size of goat unit was 13.75 invested goats. Current asset was Rs. 100401.05 while intermediate asset was Rs. 78500.00 and long term asset was Rs. 7907.00. Hence, total asset was Rs. 186808.05. The amount of total liability was Rs. 22340.00 in which intermediate liability was Rs. 19000.00 followed by current liability was (Rs. 3340.00) and long term liability was zero. Hence, net worth or equity was Rs. 164468.05. It implied that, owned fund was sufficient in goat rearing business. In income statement, gross income was Rs. 95566.05 and amount of total receipt was Rs 104256.05. Total expense was Rs. 68139.68. Amount of net cash income and net goat farm income was Rs. 47534.7 and Rs. 36116.74, respectively. Thus, goat rearing business was profitable. In regards to performance of goat rearing business, current ratio was found to be 30.06. The intermediate ratio was found to be 8.00. It implied that farm business was running in sound condition because this ratio was greater than unity. The net capital ratio was 8.36 which indicated that the funds of goat farming business were safe. Current liability ratio was 0.02 which indicated negligible amount of current liability as compared to owner's equity. Debt-equity ratio was 0.14 which showed goat rearer has small amount of liability as compared to the equity. Equity value ratio was 0.88 which indicated the largest amount of owned fund in goat rearing business. Operating ratio was found to be 0.50. Fixed ratio was 0.21. This ratio indicated the relationship between fixed expenses and gross income. Gross ratio was found to be 0.71. It is the relationship between total expense and gross income. It must be less than one.

KEY WORDS : Goat rearing, Net worth statement, Income statement, Asset liability

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Goat is an important part of rural economy. In the country, goat is reared for milk in addition to meat. Goat provides employment to the rural poor besides utilizing unpaid family labour. Goat rearer can prepare the balance sheet or net worth statement which can indicate the performance of goat rearing business over the years. The balance sheet indicates an account of total asset and total

liability of the farm business at a particular time. The typical balance sheet shows asset on left side and liability and equity on the right side. Similarly, income statement is the list of all expenses or business debts on one hand and all receipts or business credits on the other. After bringing these together in a convenient form, expenses are subtracted from receipts to determine the net income for the year (Pawar and Pawar, 2010). Keeping in view the above aspects, the present study had been undertaken to know the performance of goat rearing business.

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METHODOLOGY

Osmanabad district of Maharashtra was purposely selected because of more goat population. Tuljapur and