

Corporate Finance

Google Alphabet Inc.

Part C :

Microsoft financial ratios (2019 to 2023) presented in this article, provide an in-depth picture of both financial performance and stability. While holding around 1.5 during the period, Microsoft will periodically adjust its current and quick ratios, which have come out to above 1.5. These ratios also reveal the fact that Microsoft has sufficient current assets to meet its short-term debt, suggesting that it does well in terms of working capital management and financial resource control.

On the other hand, there is also the efficiency of Microsoft in operation, which may be observed from its operating cash flow ratio which is usually above 0.75. It is this indicator that emphasizes the company's ability to generate cash from its operations and the core itself. This enables the company to remain active in its daily business and support future growth initiatives. Moreover, the astute capital structure of Microsoft Limited is marked by the gradual drop in its debt-to-equity ratio from 1.80 to 1.00 between the evaluated years. This signifies that Microsoft's credit aid depends less on borrowing activities than on the equity market, which improves its financial stability and helps to diversify its financing sources.

In addition to this, the debt ratio of the bank which has gradually reduced from 0.64 to 0.50, indicates that the finance assets which were financed by debt are decreasing over time which again is responsible for the improvement of the financial condition of the organization and risk management practices. Nevertheless, the pattern of MT equity ratio shows a stronger trend, rising from 0.360 to 0.50, which means assets funded by shareholders' equity are rising. The fact that investors are more inclined to hold onto their shares in Microsoft, suggests not only the company's excellent long-term prospects but also its solid equity base, which in turn truly generates stability and resilience during market uncertainties.

In a nutshell, the look of Microsoft's financial ratios is smooth, well-organized, and so financially responsible. Through solid cash liquidity, smooth-running working capital, and a

soundly capitalized structure, Microsoft shows the ability to endure and sustain a business despite the market's swings. These ratios hence serve as decisive indicators for the investors, creditors, and management, providing them with valuable insight into the financial stability, risk exposure, and the expansive growth potential of Microsoft, thereby acting as guiding instruments for informed decision-making the strategy.