10-K Ford Motor Company

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A 10-K is the standard report which is filed annually with the Securities and Exchange Commission by every publicly traded company. Being quite complex in nature, it is filed to present the public with a complete explanation of everything that is going on with the company (Cazier, 2015). Not only does it contain the financial statistics and figures but all the information about the business is also in the 10-K. The risks that the company is taking, the revenues, resources, static inventory, staff and budgeting, and every other important number is meticulously detailed in this form. The executive committees of every public company has to swear by oath that all the information provided by it on the 10-K is real and does not leave any ambiguity regarding any business activity.

The late filing of the 10-K form by any company results in adverse market consequences faced by many players in the market, and is considered as a serious corporate event (Mitra, 2019). 10-K helps the reader to understand what the company has done in the previous year as well as what it is planning for the upcoming year.

**Interpretation of a Firm’s Financial Strength Through a 10-K**Following things are present in a company’s 10-K through which a firm’s financial strength can be interpreted:

1. A thorough explanation depicting the operations of a company and how it performs in the market.
2. Discoursing and de-constructing the risks the company is currently facing and the potential losses of those risks.
3. Financial statements including income sheets and the balance sheets which comprehensively inform the investors about the company’s status.
4. Obligations that the company has to fulfil.
5. An exposition about the accounting policy and practices of the company and its estimated warranty costs
6. Signed letters from the company’s executive board about the truth of the provided information and an independent letter from the company’s auditor certifying all the financial records and statements.

## Ford’s 2012 10-K

The three most important items that have the most significance for the stakeholders after reviewing Ford’s 2012 10-K are as follows:

1. Risk Factors:
2. Potential failure to achieve targeted growth
3. Decline in the volume of sales due to any factor such as economic crisis or other geopolitical problems
4. Labor constraints to maintain competitive advantage of the cost structure
5. Cyber-security risks
6. Financial statements of the Ford Motor Company and their subsidiaries
7. Report about Ford’s finance from an autonomous public accounting firm
8. Statements of cash flow, equities and balance sheets for the last three consecutive years and notes on those statements
9. Consolidated statements about income and sector income
10. Overview of the business including the financial services sector and automotive sector
11. Including the sale transactions of Ford vehicles, service parts, and accessories along with the costs incurred with the processes of development, manufacturing, distribution and servicing of the vehicle parts, and accessories in North America.
12. In the reports of financial services, leasing, insurance and financing documents related to vehicles.

As of this report, Ford Motors has significantly cut down its excessive cost of labor through reliance on advance technology and shifting some of its processes to an online portal (Schuler, 1984). Ford Motors have completely revolutionized the transportation industry and the chief factor driving the business towards success is innovation. Through filing 10-K everywhere, Ford has an advantage to know the market quite well as compared to a lot of its competitors.

References

Cazier, R. A. (2015). Why are 10-K filings so long? *Accounting Horizons*, 1-21.

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