Financial Management Assignment

Student’s Name

Affiliation

(Word count 666)

## Introduction

## Financial and Non- financial Risk Analysis by Use of SWOT Tool

## Financial Strengths

## The HM Company incorporates various market and product services that are associated with the Company's financial risks. The business offers significantly tangible human capital and possession of quality that reflects the strength of the assets provided by HM Company. However, certain risks, such as operational risks, link the Company with the external factors that affect the Company. Equally, some of the risks can be managed easily, depending on the internal influence of company management. However, if the dangers go beyond the company control, the business can easily collapse serious mitigating risks on future operations. The uncertainties on the double taxes affect HM Company negatively in their development (Gollier, 2018). The Company remits its charges with the international trade tax regulation where the Company operates, thus risk on the pricing of the company products.

## 

## Financial Weaknesses of the HM Company

## The Company has the following weaknesses that risk to various elements such as lack of enough income, accrued debts, and the financial deficiencies that weaken the HM Company from competing with their upcoming companies. This financial risk analysis enables the HM Company to analyze its economic weaknesses regarding its strengths in determining its financial future situation. The shift in the weather, geographical, political, and the change of foreign currencies, regulations on the taxes are among the risks that affect HM Company. However, the HM Company has several opportunities, but the shift in the market risks the Company due to a slow change with the online market. Therefore, the competitors are pressing the Company with their new operations in terms of the profits and their services to the customers (Zietlowet et al., 2018). However, the pricing of HM Company is affected when the transactions made from the local trade countries with the levied taxes imposed on the company products. Therefore, the mean risks of the HM Company with the task disputes with the local firms a time interpret the terms and then given guidelines differently from the international tax guides that affect the Company financially.

## HM Company Financial Opportunities

## HM has various financial opportunities that include reduced debts, high income, and a reduction in the interest rates on the products. The reduced financial discounts to their clients stand a chance of higher supply and positive investments in the Company. However, the deviations from these opportunities place the HM Company products at risk basing on the weather patterns. The transition of weather seasons such as winter to summer affects the Company financially due to the customers' demands and lower sales. The foreign currencies change the HM Company's financial plan in a way that all the deals from the Company are tied with the euro ad the dollar. Therefore, any fluctuations in the currencies impact the financial operation of the Company and its transactions. In addition to the financial risks, the exchange rates conversion to the local currencies can either weaken or increase the Company's strengths (Zietlowet et al., 2018).

## Financial Threats

## HM Company faces various external commercial forces that impact its way of operation in several ways. Some of the economic threats include the pricing of the HM products that results tom many financial risks. Reputation risks affect HM Company due to the high interests the Company is facing that risks its possible way of operating according to business ethics. Financial threats endanger HM brand products, their reliable communication system concerning the reputations risks. There are several risks in the operation of the HM Company fashion due to the time lined limited commercial sufficiency. The Company can be affected by these unforeseen geographical and political events. Style is trending globally that affects the company markets and the distribution channels, the financial risks on the HM company should be addressed, and the adjustments did not change the future life of the business (Gollier, 2018). The HM Company may be affected negatively with their operations hindered when the transacting countries with wars that hinder the business operations.

## References

Gollier, C. (2018). *The economics of risk and uncertainty*. Edward Elgar Publishing Limited.

Zietlow, J., Hankin, J. A., Seidner, A., & O'Brien, T. (2018). Financial management for nonprofit organizations: policies and practices. John Wiley & Sons.