ACCOUNTS ADYA

Ratio Analysis

I Capital Structure

① Equity = $\frac{\text{Shareholders equity}}{\text{Total Capital Employed}}$

② Debt = $\frac{\text{Total Debt}}{\text{Total Capital Employed}}$

③ Debt to Equity = $\frac{\text{Total liabilities}}{\text{Share holder's Equity}}$

④ Capital Gearing = $\frac{\text{Pref Share Cap + Debenture + Long term debt}}{\text{Equity Share Cap + Reserves \& Surplus − Losses}}$

II Coverage

① Debt Service Coverage

$\frac{\text{Earning Available for debt Service}}{\text{Interest + Installment}}$

② Interest Service Coverage

$\frac{\text{EAT + Interest}}{\text{Interest}}$

③ preference Dividend Coverage

$\frac{\text{PAT}}{\text{preference dividend}}$

III Liquidity

① Current = $\frac{CA}{CL}$

② Quick (Acid Test) = $\frac{\text{CA − Inv − PP exp}}{\text{CL − Bank OD}}$

③ Cash = $\frac{\text{Cash + Marketable Securities}}{CL}$

IV Activity

① Capital Turover

$\frac{\text{Turnover}}{\text{Capital employed}}$

② Fixed Asset Turnover

$\frac{\text{Turnover}}{\text{Fixed Assets}}$

③ Working Capital Turnover

$\frac{\text{Turnover}}{\text{working capital}}$

④ Inventory Turnover

$\frac{\text{COGS}}{\text{Avg Inventory}}$

⑤ Debtors Turnover

$\frac{\text{Credit Sales}}{\text{Avg debtors}}$

⑥ Creditors Turnover

$\frac{\text{Credit purchases}}{\text{Avg Creditors}}$

V Profitability Based on

① Capital Market Information

ⓐ PE Ratio = $\frac{MPS}{EPS}$

ⓑ Yield Ratio = $\frac{\text{Dividend}}{\text{Avg or Closing share price}} \times 100$

ⓒ Book value per share = $\frac{\text{Networth}}{\text{No of Equity Shares}}$

ⓓ Market price per share = $\frac{\text{opening price} + \text{closing price}}{2}$

(or)

PE Ratio × EPS

②

ⓐ ROE = $\frac{\text{PAT − PD}}{\text{Net worth}}$

ⓑ EPS = $\frac{\text{PAT − PD}}{\text{No of Equity Shares}}$

ⓒ DPS = $\frac{\text{Total Dividend}}{\text{No of Equity Shares}}$

③ Assets/Invests

ⓐ ROCE $\frac{EBI(1-t)}{\text{Capital employed}}$

ⓑ ROA $\frac{PAT}{\text{Avg Total Assets}}$

④ Sales

ⓐ G.P $\frac{G.P}{\text{Sales}} \times 100$

ⓑ N.P $\frac{N.P}{\text{Sales}} \times 100$

ⓒ operating profit $\frac{\text{operating profit}}{\text{Sales}} \times 100$