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Answers

Gearing ratio

Debt to equity ratio

=longterm debts/sharecapital X100

Gearing ratio

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Debit to equity ratio

= $7000000 / (200000 + 400000) \times 100$

=116.667

= $700000 / (200000 + 400000 + 700000)$

=53.84615

INTEREST COVER

Profit before interest and tax/interest charged in the year

= $200000 / 112000$

=1.78571

INVESTORS RATIO

Basic per share

profit attributed to ordinary shareholders during the period/Weighted average number of shares given

$400000 / 200000$

=2

Divident per share(DPE)

Total dividend/Number of ordinary shares issued

= $53600 / 200000$

=0.268

Pre/Earning Ratio (P/E Ratio)

Market price per share/Earning per share

= $4 \times 400000 / 2$

=1600000/2

=800000

Earning Yeild:

Earning per shares/Market per shares

= $2 / 1600000$

=1.25

Dividend Yeild:

Dividend per shares/Market price per shares

$$=0.268/1600000$$

$$=1.675$$

Activity Ratio

Inventory turnover

cost of sales/Average inventory X 365 X 52 X 12

$$=1500000/500000 \times 365 \times 52 \times 12$$

$$=1095/52$$

$$=21.05769 \times 12$$

$$=1.7548$$

Asset Turnover

Revenue (sales)/Total Asset/Non-current/Net Asset

$$=2000000/1600000$$

$$=1.25$$

$$=1.25/840000$$

$$=1.488095$$

during the period