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18/sms01/006
Economics
ACC 202

Stability ratio		The performance of Ajanaku pl						
Debt to equity ratio		Long term bebt	Share capital	Reserver				
Long term debt/share capital+ reserver*100		200000	400000	500000	100	<u>22.22222222</u>		
Gearing ratio		Debt	Sharing capital	Reserver	Long term debt			
Debt /(sharing capital+reserve+long term debt)*100		200000	400000	500000	200000	100	<u>18.18181818</u>	
Investors ratio		Total dividend	Numbers of shares					
DPS:Total dividend/Numbers or ordinary shares in issue		53600	200000					<u>0.268</u>
Dividend yield		Dividend per share	Market price per share					
Dividend per share/market price per share		0.268	4					<u>0.067</u>
Activity ratio		Cost of sales	Average inventory					
Inventory turnover=cost of sales/average inventory*365		1,500,000	250,000	365	<u>2190</u>			
Asset turn		Revenue	Total asset					
Revenue/total asset		2000000	1600000					<u>1.25</u>
Basic earnings per share		Profit attributable	Weighted avg. no of shares					
Profit attributable to ordinary shares/weighed avg. number of shares in issue		112000	200000					<u>0.56</u>
Price earning ratio		Market price per share	Earnings per share					
Market price per share/Earnings per share		4	0.56					<u>7.142857143</u>
Earnings yield		Earnings per share	Market price value					
Earnings per share/market price value		0.56	4					<u>0.14</u>
Dividend cover		Dividend per share	Earnings per share					
Dividend per share/ earnings per share		0.268	4					<u>0.067</u>

B.)

The gearing ratio is good, which means that the company ratio of funding it’s activity with debt is very good and if the company continues with its current ratio it will not run into bankruptcy.