**NAME : IDRIS KHADIZAT IDERAOLUWA**

**MATRIC NIUMBER :17/ SMS02/020**

**COURSE : INTERMEDIATE FINANCIAL ACCOUNTING**

**COURSE CODE : ACC 302**

**TITLE : ACCOUNTING RATIOS**

**DATE: 16TH OF JUNE 2020**

1. **HEALTH SECTOR**
2. **TELECOMMUNICATION SECTOR**
3. **INDUSTRIAL SECTOR**
4. **OIL AND GAS SECTOR**
5. **CONSUMER SERVICES SECTOR**
6. **CONSUMER GOODS SECTOR**
7. **BASIC GOODS SECTOR**
8. **FINANCISL SECTOR**

**INTERPRETATION OF FINANCIAL STATEMENT OF COMPANIES QUOTED ON THE STOCK EXCHANGE**

1. **HEALTH SECTOR**

 **THE STATEMENT OF FINANCIAL POSITION INTERPRETATION FOR GSK AND M &B IN YEAR 2018 FINANCIAL YEAR**

**THE SHORT TERM SOLVENCY AND LIQUIDITY RATIO**

**GSK (2018)**

1. **CURRENT RATIO**

**CURRENT ASSET**

**CURRENT LIABILITIES**

**CURRENT ASSET =13,338,313**

**CURRENT LIABILITIES=6,941,940**

**13,338,313**

**6,941,940**

**=1.92.1**

**M&B(2018)**

 **CURRENT ASSET=3,306,328**

 **CURRENT LIABILITIES=3,107,810**

 **3,306,328**

 **3,107,810**

 **=1.06.3**

**FROM THE ABOVE COMPUTATION GSK HAD A CURRENT RATIO 1.92 AND MAY AND BAKER HAD A CURRENT RATIO 1.06… AND THIS INDICATES THAT GSK IS ABLE TO PAY CURRENT LIABILITIES IN THE FUTURE WHICH ITS BETTER THEN THE CURRENT RATIO OF MAY AND BAKER WHICH CANNOT BE ACCEPTED AS IDEAL**

1. **QUICK ASSET RATIO**

**CURRENT ASSET- INVENTORY**

**CURRENT LIABILITIES**

**GSK(2018)**

**CURRENT ASSET=13,338,313**

**INVENTORY=3,938,707**

**CURRENT LIABILITIES =6,941,940**

**13,338,313­-3,938,707**

 **6,941,940**

**=1.4**

**MAY & BAKER**

**CURRENT ASSET= 3,306,328**

**CURRENT LIABILITIES=3,107,810**

**INVENTORIES=1,463,949**

**3,306,328­-1,463,949**

 **1,463,949**

**=0.59**

**FROM THE ABOVE COMPUTATION GSK HAS A QUICK RATIO OF 1.4 AND MAY AND BAKER HAD A QUICK RATIO 0.59. MAY AND BAKER QUICK RATIO CANNOT BE ACCEPTED AS IDEAL BECAUSE ITS NOT UP TO 1.1 AND CANNOT MEET FUTURE LIABILITIES WHILE GSK HAS HIGHER QUICK RATIO WHICH IS ACCEPTED TO BE IDEAL AND CAN MEET FUTURE LIABILITIES . GSK HAS A BETTER QUICK RATIO THAN MAY AND BAKER .**

1. **RECEIVABLES COLLECTION PERIOD**

**AVERAGE TRADE RECEIVABLES \*365 DAYS**

 **CREDIT SALES**

 **GSK (2018)**

 **TRADE RECEIVABLES =5,740,325**

 **CREDIT SALES=18,411,417**

 **5,740,325 \* 365**

 **18,411,417**

 **=114 DAYS**

 **MAY AND BAKER ( 2018)**

 **1,482,954 \* 365 DAYS**

 **8,249,947**

 **=65 DAYS**

 **FROM THE ABOVE COMPUTATION GSK HAS A RECEIVABLE COLLECTION PERIOD OF 144 DAYS WHILE**

 **MAY AND BAKER HAS A RECEIVABLE COLLECTION PERIOD OF 65 DAYS WHICH INDICATE THAT IT**

 **114 DAYS FOR TRADE RECEIVABLES TO PAY GSK AND TAKES 65 DAYS FOR TRADE RECEIVABLES TO**

 **PAY MAY AND BAKER**

1. **PAYABLE PAYMENT PERIOD**

**TRADE PAYABLES \* 365 DAYS**

**CREDIT PURCHASES**

**GSK (2018)**

**TRADE PAYABLES =6,434,732**

**COST OF SALES=11,654,697**

 **6,434,732 \* 365 DAYS**

 **11,654,697**

 **=201 DAYS**

 **MAY AND BAKER (2018)**

 **TRADE PAYABLES =1,400,616**

 **COST OF SALES =5,241,910**

 **1, 400,616 \* 365 DAYS**

 **5,241,910**

 **=98 DAYS**

 **FROM THE ABOVE COMPUTATION ABOVE GSK HAS A PAYABLE PAYMENT PERIOD OF 201 DAYS AND**

 **MAY AND BAKER HAD 98 DAYS WHICH INDICATES THAT GSK PAYS HIS PAYABLES AFTER 201 DAYS**

 **MAY AND BAKER PAYS ITS PAYABLES AFTER 98 DAYS WHICH IS MORE BETTER THAN GSK**

1. **INVENTOY TURNOVER PERIOD**

**GSK (2018)**

**INVENTORY \* 365DAY**

**3COST OF SALES**

**3,938,707 \* 365 DAYS**

**11,654,697**

**=123 DAYS**

**MAY AND BAKER**

**1,643,949 \* 365 DAYS**

**5,241,910**

**=144 DAYS**

**FROM THE ABOVE COMPUTATION GSK HAS AN INVENTORY TURNOVER OF 123 DAYS AND MAY AND BAKER HAS AN INVENTORY TURNOVER OF 144 DAYS GSK INVENTORY TURNOVER IS BETTER THAN MAY AND BAKER INVENTORY TURNOVER WHICH INDICATES THAT MAY AND BAKER HAS INVENTORY IN THE STORE FOR 144 DAYS BEFORE BEING SOLD WHILE GSK HAS INVENTORY IN STORE FOR 123 DAYS BEFORE BEING SOLD**

1. **RECEIVABLES TURNOVER PERIOD**

**CREDIT SALES**

**AVERAGE RECEIVABLES**

**GSK ( 2018)**

**3,938,707**

**18,411,417**

**5,740,325**

**=3 TIMES**

**MAY AND BAKER**

**8, 249,947**

**1,482,954**

**=5 TIMES**

**FROM THE ABOVE COMPUTATION GSK REECEVABLES TURNOVER CAN BE TURNED 3 TIMES WHILE MAY AND BAKER RECEIVABLES TURNOVER CAN BE TURNED 5 TIMES**

1. **PAYABLES TURNOVER PERIOD**

**GSK( 2018)**

**CREDIT PURCHASES**

**AVERAGE TRADE PAYABLES**

**11,654,697**

**6,434,732**

**=2 TIMES**

**MAY AND BAKER( 2018)**

**5,241,910**

**1,400,616**

**=3 TIMES**

**FROM THE ABOVE COMPUTATION GSK PAYABLE TURNOVER CAN BE TURNED 2 TIMES WHILE THE PAYTABLE TURNOVER OF MAY AND B3AKER CAN BE TURNED 3 TIMES**

1. **INVENTORY TURNOVER**

**COST OF SALES**

**AVERAGE INVENTORY**

**GSK ( 2018)**

**11,654,697**

**3,933,707**

**=3 TIMES**

**THE PROFITABILITY RATIOS TO INTERPRETE THE FIANCIAL STATEMENT FOR GSK AND MAY AND BAKER FOR YEAR 2018**

1. **RETURN ON CAPITAL EMPLOYED ( ROCE )**

**PROFIT BEFORE INTEREST AND TAX \* 100**

 **EQUITY AND DEBT( NON CURRENT LIABILITY)**

**GSK (2018)**

**1,160,824 \*100**

**8,651,191+ 107,085**

**=13%**

**MAY AND BAKER**

**849,785 \* 100**

**3,708,011+1,319,745**

**=21%**

**FROM THE ABOVE COMPUTATION MAY AND BAKER HAD HIGHER RETURN THAN GSKWITH 21%**

1. **GROSS MARGIN RATIO**

**GROSS PROFIT \* 100**

 **SALES**

**GSK (2018)**

**6,756,778 \* 100**

 **18,441,475**

**=37 %**

 **MAY AND BAKER**

 **3,008,037 \* 100**

 **8,249,947**

**= 36%**

**FROM THE ABOVE COMPUTATION GSK HAS AVERAGE GROSS PROFIT OF 37% WHILE MAY AND BAKER HAS AN AVERAGE GROSS PROFIT OF 36%**

1. **NET PROFIT MARGIN**

**NET PROFIT \* 100**

 **SALES**

**GSK ( 2018)**

**1,160,824 \* 100**

**18,411,475**

**=6%**

 **MAY AND BAKEER (2018)**

**849,785 \* 100**

**8,249,947**

**=10%**

**FROM THE ABOVE COMPUTATION GSK HAS A NET PROFIT PERCENTAGE OF 6 % AFTER ALL THE EXPENSES HAS BEEN DEDUCTED FROM REVENUE EHILE MAY AND BAKER HAS A NET PROFIT PERCENTAGE OF 10% AFTER ALL THE EXPENSES HAS BEEN DEDUCTED**

 **INVESTORS AND SHARE HOLDERS RATIO**

1. **NET ASSET PER SHARE**

 **NET ASSET – PREFENCE SHARE CAPITAL**

**NO OF ORDIANRY SHARES**

**GSK ( 2018)**

**8,651,191-0**

**597,939**

**=14.4%**

**MAY AND BAKER**

 **3,708,011-0**

**490,000**

**= 8%**

1. **DIVIDEND PER SHARE**

**GROSS DIVIDEND**

**NO OF SHARES**

**GSK( 2018)**

 **LONG TERM SOLVENCY AND STABILITY RATIO**

1. **GEARING RATIO**

**DEBT**

**DEBT + EQUITY**

**GSK (2018)**

**107,085**

**107,085+8,651,191**

**=0.01**

**MAY AND BAKER**

**1,319,745**

**1,319,745+3,708,011**

**= 0.3**

**FROM THE ABOVE COMPUTATION BOTH GSK AND MAY AND BAKER ARE LOWLY GEARED BECAUSE IT IS LESS THAN 0.5 WHICH INDICATE THAT THEY FINANCE THEIR BUSINESS WITH THEIR CAPITAL INSTEAD OF THEIR FINACE FROM OUTSIDERS**

1. **TOTAL DEBTS TO SHARE HOLDERS FUNDS**

**NON CURRENT LIABILITIES+CURRENT LIABILITIES**

 **SHARE HOLDERS FUND**

**GSK(2018)**

**107,085+6,941,940**

 **618,389**

**=11.3**

**MAY AND BAKER ( 2018)**

**1,319,745 +3,107,810**

 **374,559**

**= 12**

1. **TELECOMMUNICATION SECTOR**

**STATEMENT OF FINANCIAL POSITION INTERPRETATION OF MTN AND OMATEX IN THE YEAR (2018)**

 **SHORT TERM SOLVENCY AND LIQUIDITY RATIOS**

1. **CURRENT RATIO**

**CURRENT ASSET**

**CURRENT LIABILITY**

**MTN**

 **58,038**

 **72,570**

 **=0.7**

 **OMATEK VENTURES**

 **3,487,000**

 **4,425,000**

 **=0.8**

 **FROM THE ABOVE COMPUTATION BOTH MTN AND OMATEK HAVE A LOW CURRENT RATIO WHICH IS NOT ACCEPTED AS IDEAL BECAUSE IT OSI NOT UP TO 2.1 WHICH INDIACTE THAT THE TWO COMPANIES CANNOT MEET THEIR CURRENT LIABILITES IN THE FUTURE**

1. **QUICK ASSET RATIO**

**CURRENT ASSET-INVENTORY**

 **CURRENT LIABILIY**

**MTN**

**53,038-2,995**

 **72,570**

 **=50,043**

 **72,570**

 **=0.7**

 **OMATEX VENTURES**

 **3,487,000-0**

 **4,425,000**

 **=0.8**

 **FROM THE ABOVE COMPUTATION MTN AND OMATEK HAS A LOW QUICK RATIO WHICH IS NOT UP TO 1.1 AND CANNOT BE ACCEPTED AS IDEAL WHICH MEANS THE TWO COMPANIES CANNOT MEET THEIR CURRENT LIABILITIES IN THE FUTURE**

1. **RECEIVABLES COLLECTION PERIOD**

**TRADE RECEIVABLES \* 356 DAYS**

**CREDIT SALES**

**MTN**

 **26,669 \* 365 DAYS**

 **134,560**

 **=72 DAYS**

**OMATEK VENTURES**

**3,487,000 \* 365 DAYS**

**80,000,000**

**= 15 DAYS**

**FROM THE ABOVE COMPUTATION MTN COLLECTED THEIR MONEY FROM TRADE RECIVABLES AFTER 72 DAYS WHILE OMATEK VENTURES COLLECTED THEIR MONEY FROM THEIR TRADE RECEIVABLES AFTER 15 DAYS WHICH IS WAY MORE BETTER THAN MTN**

1. **PAYABLE PAYMENT PERIOD**

**TRADE PAYABLES \* 365 DAYS**

 **CREDIT PURCHASES**

**MTN**

**45,856 \* 365 DAYS**

**11,638**

**=**

**OMATEX**

**4,357,000 \* 365 D3AYS**

**5,000,000**

**=318 DAYS**

1. **INVENTORY TURNOVER PERIOD**

**AVERAGE INVENTORY**

**COST OF SALES**

**MTN**

**2,995 \* 365 DAYS**

**11,683**

**= 93 DAYS**

**OMATEK VENTURES**

**620,000,000 \* 365 DAYS**

**5,000,000**

 **=**

1. **RECEIVABLES TURNOVER PERIOD**

**CREDIT SALES**

**TRADE RECEIVABLES**

 **MTN**

**134,560**

**26,669**

**=5 TIMES**

**OMATEX VENTURES**

**80,000,000**

**3, 487,000**

**=22 TIMES**

**FROM THE BAOVE COMPUTATION MTN RECEVABLES TURNOVER CAN BE TURNED 5 TIMES WHILE OMATEX VENTURES RECEIVAVLES TURNOVER CAN BE TURNED OVER 22 TIMES**

1. **PAYABLES TURNOVER**

**CREDIT PURCHASES**

 **AVERAGE PAYABLES**

**MTN**

 **11,368**

 **45,856**

 **OMATEK**

 **5,000,000**

 **4,357,000**

 **=1 TIME**

1. **INVENTORY TURNOVER**

**COST OF SALES**

 **AVERAGE INVENTORY**

 **MTN**

 **11, 683**

 **2295**

 **=5 TIMES**

 **PROFITIABILITY EFFICIENCY RATIOS**

1. **RETURN ON CAPITAL EMPLOYED**

**EARNINGS BEFORE INTEREST AND TAX**

 **EQUITY + DEBT**

**MTN**

**15,008**

**88,226 +83,811**

**=9%**

**OMATEK VENTURE**

**1,042,000**

**3,046,000+3,909,000**

**=14%**

**FROM THE ABOVE COMPUTATION OMATEK HAS HIGHER RETURN THAN MTN WITH 14 %**

1. **GROSS MARGIN**

**GROSS PROFIT \* 100**

 **SALES**

**MTN**

**323,576 \*100**

**134,560**

**=18 %**

**OMETEK VENTURES**

**13,000,000 \* 100**

**18,000,000**

**=72 %**

**FROM THE ABOVE COMPUTATION MTN HAS A GROSS PROFIT MARGIN OF 18 % WHILE OMATEK HAS A GROSS PROFIT MARGIN OF 72 %**

1. **NET PROFIT MARGIN**

**NET PROFIT \* 100**

 **SALES**

**MTN**

**15,008 \* 100**

**134,560**

**= 11%**

**OMETEK VENTURES**

**1,042,000 \* 100**

**18,000,000**

**= 6 %**

**FROM THE ABOVE COMPUTATION MTN HAS A NET PROFIT PERCENTAGE OF 11% AFTER ALL THE EXPENSES HAS BEEN DEDUCTED WHILE OMATEK VENTURES HAS A NET PROFIT PERCENTAGE OF 6% AFTER ALL THE EXPENSES HAS BEEN DEDUCTED FROM THE REVENUE**

**LONG TERM SOLVENCY AND STABILITY RATIOS**

1. **GEARING RATIO**

 **DEBT**

**DEBT + EQUITY**

**MTN**

**88,226**

**88,226+83,811**

**=0.5**

**OMATEK VENTURES**

**3,046,000**

**3,046,000 + 3,909,000**

**=0.4**

**FROM THE ABOVE COMPUATATION MTN IS HIGHLY GEARED WHILE OMATEK VENTURES IS LOWLY GEARED WHICH INDICATE THAT MTN FINANCE ITS BUSINESS FROM OUTSIDERS INSTEAD OF THEIR CAPITAL WHILE OMATEK VENTURE FINANCE THEIR BUSINESS FROM THEIR CAPTIAL**

1. **TOTAL DEBTS TO SHARE HOLDERS FUND**

**NON CURRENT LIABILITIES + CURRENT LIABILITIES**

 **SHARE HOLDERS FUND**

 **MTN**

 **83,811+72,570**

 **1,065**

 **=147**

 **OMETEK VENTURES**

 **3,909,000+4,425,000**

 **1,161,000**

 **=7**

1. **INDUSTRIAL SECTOR**

**THE STATEMENT OF FINANCIAL POSITION INTERPRETATION OF JULIUS BERGER AND BETA GLASS**

**THE SHAORT TERM SOLVENCY RATIOS**

1. **CURRENT RATIOS**

**CURRENT ASSET**

**CURRENT LIABILTIES**

**JULIUS BERGER**

**125,039,446**

**73,196,234**

**=1.7**

**BETA GLASS**

**28,550,830**

**13, 723,312**

**= 2.0.8**

**FROM THE ABOVE COMPUTATION JULIUS BERGER HAS A CURRENT RATIO OF 1.7 WHICH IS NOT UP TO 2.1 AND IT IS NOT ACCEPTED AS IDEAL WHICH MEANS JULIUS BERGER CANNOT MEET ITS LIABILITIES IN THE FUTURE WHILE BETA GLASS HAS A GOOD CURRENT RATIO WHICH MEANS THAT THEY CAN MEET UP THEIR CURRENT LIABILITIES**

1. **QUCIK ASSET RATIO OR ACID TEST RATIO**

**CURRENT ASSET – INVENTORY**

 **CURRENT LIABILITY**

**JULIUS BERGER**

**125,039,446-11,304,296**

 **73,196,234**

 **=1.5**

**BETA GLASS**

**28,550,830-6,239,740**

 **13,732,312**

 **=1.6**

**FROM THE ABOVE COMPUTATION JULIUS BERGER AND BETA GLASS HAS A GOOD QUICK RATIO WHICH MEANS THEY CAN MEET THEIR LIABILITIES IN THE FUTURE**

1. **RECEIVABLE COLLECTION PERIOD**

**AVERAGE RECEIVABLE \* 365 DAYS**

 **CREDIT SALES**

 **JULIUS BERGER**

 **91,108,522 \* 365 DAYS**

 **170,326,746**

 **= 195 DAYS**

 **BETA GLASS**

**13,438,292 \* 365 DAYS**

 **26,321,014**

**=186 DAYS**

**FROM THE ABOVE COMPUTATION JULIUS BERGER COLLECTED THEIR MONEY FROM TRADE RECEIVABLES AFTER 195 DAYS WHILE BETA GLASS COLLECTED THEIR MONEY FROM THEIR TRADE RECEIVABLES AFTER 186DAYS BETA GLASS HAS A BETTER RECEIVABLE COLLECTIOPN PERIOD BECAUSE ITS EARLIER THAN JULIUS BERGER COLLECTION**

1. **PAYABLES PAYAMENT PERIOD**

**AVERAGE PAYABLE \* 365 DAYS**

 **CREDIR PURCHASES**

**JULIUS BERGER**

 **8,471,491 \* 365 DAYS**

 **132,254,711**

 **= 23 DAYS**

 **BETA GLASS**

 **11,598,037 \* 365 DAYS**

 **19,940,375**

 **=212 DAYS**

**FROM THA ABOVE COMPUTATION JULIUS BERGER GETS TO PAY TRADE PAYABLES AFTER 23 DAYS WHILE BETA GLASS GETS TO PAY THEIR TRADE PAYABLES AFTER 212 DAYS**

1. **INVENTORY TURN OVER PERIOD**

**AVERAGE INVENTORY \* 365 DAYS**

 **COST OF SALES**

**JULIUS BERGER**

**11,304,296 \* 365 DAYS**

 **170,326,746**

 **= 24 DAYS**

 **BETA GLASS**

 **6,329,740 \* 365 DAYS**

 **19,940,375**

 **=115 DAYS**

**FROM THE ABOVE COMPUTATION JULIUS BERGER INVENTORY WAS IN STORE FOR 24 DAYS BEFORE IT WAS BEING SOLD WHILE BETA GLASS INVENTORY WAS IN STORE FOR 115 DAYS BEFORE IT WAS BEING SOLD**

1. **RECEIVABLES TURNOVER**

**CREDIT SALES**

 **AVERAGE RECEIVABLES**

**JULIUS BERGER**

**170,326,746**

**91,108,522**

**= 2 TIMES**

**BETA GLASS**

**26,321,014**

**13,438,292**

**= 2 TIMES**

**FROM THE ABOVE COMPUTATION BOTH JULIUS BERGER AND BETA GLASS RECEIVABLE TURNOVER WAS TURNED OVER TWO TIMES**

1. **PAYABLES TURNOVER**

**CREDIT PURCHASES**

 **AVERAGE PAYABLES**

**JULIUS BERGER**

**132,254,711**

 **8,471,491**

**= 15 TIMES**

**BETA GLASS**

**19,940,375**

**11,598,037**

**= 2 TIMES**

**FROM THE ABOVE COMPUTATION JULIUS BERGER PAYABLE TURNOVER WAS TURNED 15 TIMES WHILE BETA GLASS PAYABLE TURNOVER WAS TURNED 2 TIMES**

1. **INVENTORY TURNOVER**

**COST OF SALES s**

**AVERAGE INVENTORY**

**JULIUS BERGER**

**170,326,746**

**11,304,296**

**= 15 TIMES**

 **BETA GLASS**

**19,940,375**

**6,329,740**

**= 3 TIMES**

**FROM THE ABOVE COMPUTATION THE INVENTORY TURNOVER OF JUILUS BERGER WAS TURNED 15 TIMES WHILE THE INVENTORY TURNOVER OF BETA GLASS WAS TURNED 3 TIMES**

**EFFICIENCY AND PROFITABILITY RATIOS**

1. **RETURN ON CAPITAL EMPLOYED**

 **PROFIT BEFORE INTEREST AND TAX**

 **EQUITY + DEBT**

 **JULIUS BERGER**

 **6,630,667 \* 100%**

 **178,153,231+16,710,922**

 **=3%**

 **BETA GLASS**

 **7,188,181 \* 100%**

**2,728,744+ 2,962,757**

**=22%**

**FROM THE ABOVE COMPUTATION BETA GLASS HAS A HIGHER RETURN THAN JULIUS BERGER WITH 22 %**

1. **GROSS MARGIN RATIO**

**GROSS PROFIT \* 100**

 **SALES**

 **JULIUS BERGER**

**38,072,035 \* 100%**

**170,326,746**

**= 22%**

**BETA GLASS**

**6,380,639 \*100**

**26,321,014**

**=24%**

**FROM THE ABOVE COMPUTATION JULIUS BERGER HAS A GROSS PROFIT MARGIN OF 22% WHILE BETA GLASS HAD A GROSS PROFIT MARGIN OF 24 %**

1. **NET PROFIT MARGIN**

**NET PROFIT \* 100**

**SALES**

**JULIUS BERGER**

**6,630,667 \* 100**

**170,326,746**

**=4%**

**BETA GLASS**

**7,188,181 \* 100**

**26,321,014**

**=27 %**

**FROM THE ABOVE COMPUTATION JU;LIUS BERGER HAS A NET PROFIT PERCENTAGE 0F 4% AFTER ALL EXPENSES HAS BEEN DEDUCTED FROM ALL REVENUE WHILE BETA GLASS HAD A NET PROFIT MARGIN OF 27 AFTER ALL EXPENSES HAS BEEN DEDUCTED FROM REVENUE**

**SHAREHOLDERS INVESTORS RATIO**

1. **NET ASSET PER SHARE**

**NET ASSET – PREFERENCE SHARE CAPITAL**

 **NO OF ORDINARY SHARES**

**JULIUS BERGER**

**16,710,992**

**660,000**

**= 25**

**BETA GLASS**

**29,627,573-0**

 **249,986**

**=118**

**LONG TERM SOLVENCY STABILITY RATIOS**

**GEARING RATIOS**

 **DEBT**

**DEBT + EQUITY**

**JULIUS BERGER**

 **16,710,922**

 **16,610,922+178,153,231**

**=0.1**

**BETA GLASS**

 **2,962,757**

**2,962,757+2,728,744**

**=0.5**

**FROM THE ABAOVE COMPUTATION JULIUS BERGER IS LOWLY GEARED WHICH INDICTE THAT THEY FIANCE THEIR BUSINESS FROM THEIR CAPITAL AND NOT FROM OUTSIDERS WHILE BETA GLASS IS HIGHLY GEARED WHICH INDICATE THAT THEY FINACE THEIR BUSINESS FROM OUTSIDERS**

**TOTAL DEBT TO SHARE HOLDERS FUND**

 **TOTAL LIABILITES**

**SHAREHOLDERS FUND**

 **JULIUS BERGER**

**251,349,465**

**16,710,922**

**=15**

**BETA GLASS**

**16,452,056**

**29,628,000**

**=**

1. **OIL AND GAS SECTOR**

**STATEMENT OF FINANCIAL POSITION INRTERPRETATION FOR MOBIL AND OANDO PLC FOR THE YEAR 2018**

**SHORT TERM SOLVENCY AND LIQUIDITY RATIO**

1. **CURRENT RATIO**

**CURRENT ASSET**

**CURRENT LIABILITIES**

**MOBIL**

**34,183,632**

**19,327,761**

**= 1.7**

**OANDO**

**130,118,542**

**448,602,832**

**= 0.2**

**FROM THE ABOVE COMPUTATION MOBIL OIL NIGERIA HAS A CURRENT RATIO OF 1.7 WHILE OANDO HAS A CURRENT RATIO OF 0.2 WHICH IS NOT ACCEPTED TO BE IDEAL WHICH INDICATE THAT OANDO IS NOT ABLE TO MEET ITS LIABILITIES IN THE FUTURE WHILE MOBIL IS ABLE TO MEET ITS LIABILITIES IN THE FUTURE**

1. **QUICK ASSET OR ACID TEST RATIO**

**CURRENT ASSET – INVENTORY**

 **CURRENT LIABILITY**

**MOBIL OIL NIGERIA**

**34,183,632-17,918,599**

 **19,327,761**

**= 0.8**

**OANDO PLC**

**130,118,542-17,918,599**

 **448,602,832**

**= 0.2**

**FROM THE ABOVE COMPUTATION MOBIL PLC NIGERIAN HAS A QUICK RATIO OF 0.8 AND OANDO PLC HAS A QUICK RATIO PF 0.2 .. NEITHER OF THE TWO COMPAINES RATIO IS CONSIDERED IDEAL BECAUSE IT IS NOT UP TO 1.1 WHICH INDICATE THAT THE TWO COMPANIES ARE NOT ABLE TO MEET CURRENT LIABILITIES IN THE FUTURE**

1. **RECEIVABLES COLLECTION PERIOD**

 **TRADE RECEIVABLES \* 365 DAYS**

 **CREDIT SALES**

 **MOBIL OIL NIGERIA**

 **11,513,890 \* 356 DAYS**

 **164,609,535**

 **=25 DAYS**

**OANDO PLC**

**84,791,443 \* 365 DAYS**

**448,518,160**

**= 69 DAYS**

**FROM THE ABOVE COMPUTATION IT TAKES 25 DAYS FOR MOBIL OIL NIGERIA TO COLLECT THEIR MONEY FROM THE TRADE RECEIVABLES (DEBTORS ) WHILE IT TAKES 69 DAYS FOR OANDO PLC TO RECEIVE THEIR MONEY FROM THEIR TRADE RECEIVABLES …MOBIL OIL NIGERIA HAS A BETTER RECEIVABLE COLLECTION PERIOD .**

1. **PAYABLES PAYMENT PERIOD**

 **TRADE PAYABLES \* 365 DAYS**

 **CREDIT PURCHASES**

**MOBIL OIL NIGERIA**

**8,212,101 \* 365 DAYS**

 **148,015,916**

**= 20 DAYS**

**OANDO PLC**

**265,417,181 \* 365 DAYS**

**488,938,074**

**= 198 DAYS**

**FROM THE ABOVE COMPUTATION MOBIL PAID THEIR DEBT TO THEIR TRADE PAYABLES AFTER 20 DAYS WHILE IT TOOK 198 DAYS FOR OANDO PLC TO PAY ITS TRADE PAYABLES WHICH INDICATE THAT MOBIL OIL NIGERIA HAS A BETTER PAYABLE PAYMENT PERIOD**

1. **INVENTORY TURNOVER PERIOD**

**TRADE INVENTORY \* 365 DAYS**

 **COST OF SALES**

**MOBIL OIL NIGERIA**

**17,918,599 \*365 DAYS**

 **148,015,916**

**= 44 DAYS**

**OANDO PLC**

**17,918,599 \* 365 DAYS**

 **488,938,074**

**= 13 DAYS**

**FROM THE ABOVE COMPUTATION MOBIL OIL NIGERIA INVENTORIES REMAIN IN STORE FOR 44 DAYS BEFORE ITS BEING SOLD WHILE OANDO PLC INVENTORIES REMAIN IN STORE FOR 13 DAYS BEFORE ITS BEING SOLD …. OANDO PLC HAS A BETTER INVENTORY TURNOVER THAN MOBIL PLC**

1. **RECEIVABLES TURNOVER PERIOD**

**CREDIT SALES**

**TRADE RECEIVABLES**

**MOBIL OIL NIGERIA**

**164,609,535**

 **11,513,890**

**=14 TIMES**

**OANDO PLC**

**448,518,160**

**84,791,443**

**=5 TIMES**

**FROM THE ABOVE COMPUTATION MOBIL OIL RECEIVABLE TURNOVER CAN BE TURNED 14 TIMES WHILE OANDO RERECIVABLE TURNOVER CAN BE TURNED OVER 5 TIMES**

1. **PAYABLE TURNOVER PERIOD**

**CREDIT PURCHASES**

 **TRADE PAYABLE**

**MOBIL OIL NIGERIA**

 **148,015,916**

 **8,212,101**

**=18 TIMES**

**OANDO PLC**

**448,938,074**

**265,417,181**

**= 2 TIMES**

**FROM THE ABOVE COMPUTATION MOBIL OIL PAYABLE TURNOVER CAN BE TURNED 18 TIMES WHILE OANDO PLC PAYABLE TURNOVER CAN BE TURNED 2 TIMES**

1. **INVENTORY TURNOVER**

**COST OF SALES**

 **AVERAGE INVENTORY**

**MOBIL OIL NIGERIA**

**148,015,916**

**17,918,599**

**= 8 TIMES**

**OANDO PLC**

**488,938,074**

**17,918,599**

**= 27 TIMES**

**EFFICIENCY PROFITABILITY RATIOS**

**RETURN ON CAPITAL EMPLOYED**

1. **PROFIT BEFORE INTEREST AND TAX**

 **EQUITY + DEBT**

 **MOBIL OIL NIGERIA**

 **13,695,459**

**33,772,775+19,327,761**

**=26%**

**OANDO PLC**

**FROM THE ABOVE COMPUTATION MOBIL OIL NIGERIA HAS A HIGHER RETURN THAN OANDO PLC. OANDO PLC HAD A LOSS IN THE INCOME STATEMENT**

1. **GROSS PROFIT PERCENTAGE**

**GROSS PROFIT \* 100**

 **SALES**

**MOBIL OIL NIGERIA**

**16,593,619 \* 100**

**16,409,535**

**= 10 %**

 **OANDO PLC**

**FROM THA ABOVE COMPUTATION MOBIL OIL NIGERIA HAD A GROSS PROFIT MARGIN OF 10 % WHILE MOBIL HAD A GROSS LOSS IN THE INCOME STATEMENT**

1. **NET PROFIT PERCENTAGE**

**NET PROFIT \* 100**

 **SALES**

**MOBIL OIL NIGERIA**

**13,695,459 \* 100**

**164,609,585**

**= 8%**

**FROM THE ABOVE COMPUTATION MOBIL OIL NIGERIA HAS A NET PROFIT PERCENTAGE OF 8% AFTER ALL THE EXPENSES HAS BEEN DEDUCTED FROM THE REVENUE BUT OANDO DON’T HAVE ANY NET PROFIT MARGIN BECAUSE THEY HAD**

**A NET LOSS**

 **SHAREHOLDERS OR INVESTOR RATIO**

1. **NET ASSET PER SHARE**

**NET ASSET – PREFERENCE SHARES**

 **NO OF ORDINARY SHARES**

**MOBIL OIL NIGERIA**

**33,772,775**

 **194678**

**=173**

**OANDO PLC**

**222,116,711**

**176,588,527**

**=1**

**LONG TERM SOLVENCY AND STABILITY RATIOS**

**GEARING RATIO**

 **DEBT**

**DEBT + EQUITY**

**MOBIL OIL NIGERIA**

 **19,327,761**

**19,327,761+33,772,775**

**= 0.4**

**OANDO PLC**

 **348,228,307**

**348,228,307+277,116,711**

**=0.5**

**FROM THE ABOVE COMPUTATION MOBIL OIL NIGERIA IS LOWLY GEARED WHICH INDIACTE THAT THEY FINACE THEIR COMPANY WITH THEIR CAPITAL RATHER FROM OUTSIDERS FINANCES**

**WHILE OANDO PLC IS HIGHLY GEARED WHICH INDICATE THAT THEY FINANCE THEIR BUSINESS FROM OUTSIDERS INSTEAD OF THEIR CAPITAL**

1. **CONSUMER SERVICES**

**STATEMENT OF FINANCIAL POSITION INTERPRETATION FOR CUTIX AND CAPITAL HOTEL PLC FOR YEAR 2018**

**SHORT TERM SOLVENCY OR LIQUIDITY RATIOS**

**CURRENT RATIO**

1. **CURRENT ASSET**

**CURRENT LAIBILITIES**

**CUTIX PLC**

**1,957,976**

**1,359,513**

**=1.4**

**CAPITAL HOTEL PLC**

**5,698,295**

**2,630,478**

**=2.1.6**

**FROM THE ABOVE COMPUTATION CUTIX PLC HAS A LOWER CURRENT RATIO WHICH IS NOT CONSIDERED TO BE ACCEPTED AS IDEAL WHICH INDICATE THAT THEY CANNOT MEET THEIR CURRENT LIABILTIES WHILE HAD A GOOD CURRENTY RATIO OF 2.1 WHICH CONSIDERED AS IDEAL WHICH INDICATE THAT THEY CAN MEET THEIR CURRENT LIABILITES IN THE FUTURE**

1. **QUICK ASSET OR ACID TEST RATIO**

**CURRENT ASSET-INVENTORY**

 **CURRENT LIABILITY**

**1,957,976-1,317,958**

 **1,359,513**

**= 0.4**

**CAPITAL HOTEL**

**5,698,295-141,990**

 **2,630,478**

**= 2. 1**

**FROM THE ABAOVE COMPUTATION CAPIATL HOTEL HAS A BETTER QUICK ASSET RATIO WHICH IS EVEN MORE THAN 1.1 WHICH IS CONSIDERED TO BE ACCEPTED AS IDEAL WHILE CUTIX PLC HAD A BAD QUICK ASSET RATIO WHICH INDICAYTE THAT THEY CNNOT BE ABLE TO MEET WITH THEIR CURRENT LIABILITES IN THE FUTURE**

1. **RECEIVABLE COLLECTION PERIOD**

**TRADE RECEIVABLE \* 365 DAYS**

 **CREDIT SALES**

**CUTIX PLC**

**525,085 \* 365 DAYS**

 **5,057,374**

**=37 DAYS**

**CAPITAL HOTEL PLC**

**1,620,077 \* 365 DAYS**

 **5,977,436**

**=99 DAYS**

**FROM THE ABOVE COMPUTATION CUTIX PLC COLLECTED THEIR PAYMENT FROM THEIR TADE RECEIVABLES AFTER 37 DAYS WHILE CAPITAL HOTEL COLLECTED THEIR PAYMENT FORM THEIR TRADE RECEIVABLES AFTER 99 DAYS CUTIX PLC IS BETTER**

**THEY RECEIVED THEIR MONEY EARLIER THAN CAPITAL HOTEL**

1. **PAYABLE PAYMENT PERIOD**

**TRADE PAYABLES \* 365DAYS**

 **CREDIT PURCHASES**

**CUTIX PLC**

**499,300 \* 365 DAYS**

 **3,356,685**

**=54 DAYS**

**CAPITAL HOTEL PLC**

**2,378,096 \* 365 DAYS**

**4,869,732**

**=178 DAYS**

**FROM THE ABOVE COMPUTATION CUTIX PLC PAID THEIR TRADE PAYABLES AFTER 54 DAYS WHILE CAPITAL HOTEL PAID THEIR TRADE PAYABLES AFTER 178 DAYS**

**CUTIX PLC HAD A BETTER PAYABLE PAYMERT PERIOD THAN CAPITAL HOTEL**

1. **INVENTORY TURNOVER PERIOD**

**TRADE INVENTORY \* 365 DAYS**

 **COST OF SALES**

**CUTIX PLC**

**1,317,958 \* 365 DAYS**

 **3,356,685**

**=143 DAYS**

**CAPITAL HOTEL**

**141,990 \* 365 DAYS**

**4,869,732**

**= 10 DAYS**

**FROM THE ABOVE COMPUTATION CUTIX PLC INVENTORIES REMAINED IN STORE FOR 143 DAYS BEFORE BEING SOLD WHILE CAPITAL HOTEL INVENTORIES REMAIN IN STORE FOR TEN DAYS BEFORE THEY ARE BEING SOLD**

1. **RECEIVABLE TURNOVER PERIOD**

**CREDIT SALES**

 **TRADE RECEIVABLES**

 **CUTIX**

**5,057,374**

 **525,058**

**= 10 TIMES**

 **CAPITAL HOTEL PLC**

**5,977,436**

**1,620,077**

**= 4 TIMES**

**FROM THE ABOVE COMPUTATION CUTIOX PLC RECEIVABLE TURNOVER PERIOD PERIOD IS TURNED 10 TIMES WHILE CAPITAL HOTEL RECEIVABLE PERIOD ID TURNED 4 TIMES**

1. **PAYABLES TURNOVER PERIOD**

**CREDIT PURCHASES**

 **TRADE PAYABLE**

**CUTIX PLC**

**3,356,685**

**1,317,958**

**= 3 TIMES**

**CAPITAL HOTEL PLC**

**4 ,869,732**

**2,378,096**

**= 2 TIMES**

**FROM THE ABOVE COMPUTATION CUTIX PAYABLE PAYMENT PERIOD IS TURNED OVER 3 TIMES WHILE CAPITAL HOTEL PAYABLER PAYMENT PERIOD IS TURNED 2 TIMES**

1. **INVENTORY TURNOVER**

**COST OF SALES**

**TRADE INVEENTORY**

**CUTIX PLC**

**3,356,685**

**1,317,958**

**= 3 TIMES**

**CAPITAL HOTEL PLC**

**4,869,732**

**141990**

**=34 TIMES**

**FROM THE ABOVE COMPUTATION CUTIX PAYABLE INVENTORY TURNOVER IS TURNED 3 TIMES WHILE CAPITAL HOTEL IS INVENTORY TURNOVER IS TURNED 34 TIMES**

**LIQUIDITY AND EFFICIENY RATIOS**

1. **RETURN ON CAPITAL EMPLOYED**

**PROFIT BEFORE INTEREST AND TAX**

 **DEBT AND EQUITY**

**CUTIX PLC**

 **661,563**

**177457+1,299,292**

**=44 %**

**CAPITAL HOTEL**

 **507781**

**1,029,358+6,416,983**

**=6 %**

**FROM THE ABOVE COMPUTION CUTIX PLC HAS A HIGHER RETURN THAN CAPITAL HOTEL WITH 44%**

1. **GROSS PROFIT MARGIN**

**GROSS PROFIT \* 100**

 **SALES**

**CUTIX PLC**

**1,520,689 \* 100**

**5,057,374**

**=30 %**

**CAPITAL HOLTEL PLC**

**1,107,704 \* 100**

**5,977,436**

**=18%**

**FROM THE ABOVE COMPUTATION CUTIX PLC HAD A GROSS PROFIT PERCENTAGE OF 30 % WHILE CAPITAL HOTEL HAD A GROSS PROFIT PERCENTAGE OF 18 %**

1. **NET PROFIT MARGIN**

**NET PROFIT \* 100**

 **SALES**

**CUTIX PLC**

 **661,563 \* 100**

**5,057,374**

**= 13 %**

 **CAPITAL HOTEL PLC**

**507,781 \* 100**

**5,977,436**

**=8%**

**FROM THE ABOVE COMPUATION CUTIX PLC HAD A NET PROFIT MARGIN OF 13 % AFTER ALL THE EXPENSES HAS BEEN DEDUCTED FROM THE REVENUE WHILE CAPITAL HOTEL HAD A NET PROFIT MAARGIN OF 8 % AFTER ALL EXPENSES HAS BEEN DEDUCTED FROM THE REVENUE**

**INVESTORS AND SHAREHOLDERS RATIO**

1. **NET ASSET PER SHARE**

**NET ASSET – PREFERENCE SHARE**

 **NO OF ORDINARY SHARES**

**CUTIX PLC**

**1,299,292-0**

 **1,435,802**

**= 0.90**

**CAPITAL HOTEL**

**6,416,983-0**

 **774390**

**=0.08**

**LONG TERM STABILITY RATIOS**

1. **GEARING RATIO**

 **DEBT**

**DEBT + EQUITY**

**CUTIX PLC**

 **177,457**

**177,457+ 1,299,292**

**=0.12**

**CAPITAL HOTEL**

 **1,029,358**

**1,029,358+ 6,416,983**

**= 0.1**

**FROM THE ABOVE COMPUATION BOTH CUTIX PLC AND CAPITAL HOTEL ARE LOWLY GEARED WHICH MEANS THEY CAN FINACE THEIR BUSINESS FROM THEIR CAPITAL INSTEAD OF FINANCE FROM OUTSIDERS**

1. **BASIC MATERIALS**

**STATEMENT OF FINANCIAL POSITION INTERPRETATION FOR PORTLAND PAINT AND BOCGAS FOR THE YEAR 2018**

**SHORT TERM SOLVENCY OR LIQUIDITY RATIOS**

1. **CURRENT RATIOS**

**CURRENT ASSET**

**CURRENT LAIBILITIES**

**PORTLAND PAINT**

**1,718,570**

 **700,439**

**= 2.4.5**

**BOCGAS**

**2,119,056**

**1,298,954**

**= 1.6.3**

**FROM THE ABOVE COMPUTATIONPORTLAND PAINT HAD A HIGH CURRENT RATIO OF 2.4.1 WHICH IS ACCEPTED AS IDEAL AND WHICH INDICATE THAT THE COMPNAY CAN MEET LIABILITIES IN THE FUTURE WHILE BOCGAS HAD A LOW CURRENT RATIO WHICH INDICATE THAT THEY WILL NOT BE ABLE TO MEET WITH FUTURE LIABILITIES**

1. **QUICK ASSET RATIO OR ACID TEST RATIO**

**CURRENT ASSET –INVENTORY**

 **CURRENT LAIBILIITES**

**PORTLAND PAINT**

**1,718,570-728,047**

 **700,439**

**= 1.4**

**BOCGAS**

**2,119,056-156,404**

 **1,298,954**

**=1.5**

**FROM THE ABOVCE COMPUTATION BOTH PORTLAND PAINT AND BOCGAS HAS A GOOD QUICK AND ACIS TEST RATIO WHICH INDICATE THAT THEY CAN BE ABLE TO MEET WITH THE CURRENT LAIBILITIES IN THE FUTURE**

1. **RECEIVABLE COLLECTION PERIOD**

**TRADE RECEIVABLE**

 **CREDIT SALES**

**PORTLAND PAINTS**

**476,180 \*365 DAYS**

**2,829,262**

**=61 DAYS**

 **BOCGAS**

 **425,776 \* 365 DAYS**

 **2,869,713**

 **=54 DAYS**

 **FROM THE ABOVE COMPUTATION PORTLAND PAINT WILL COLLECT THEIR PAYMENT FROM THEIR TRADE RECEIVABLES AFTER 61 DAYS WHILE BOCGAS WILL COLLECT THEIR PAYMENT FROM THEIR TRADE RECEIVABLES AFTER 54 DAYS**

1. **PAYABLE PAYMENT PERIOD**

 **TRADE PAYABLE \* 365 DAYS**

 **CREDIT PURCHASES**

**PORTLAND PAINT**

**501,988 \* 365 DAYS**

 **1,753,972**

**= 104 DAYS**

**BOCGAS**

**1,026,198 \* 365 DAYS**

 **1,425,662**

**= 262 DAYS**

**FROM THE ABOVE COMPUTATION PORTLAND PAINT WILL PAY THEIR TRADE PAYABLES AFTER 104 DAYS AND BODGAS WILL PAY THEIR TRADE PAYABLES AFTER 262 DAYS**

1. **INVENTORY TURNOVER PERIOD**

**TRADE INVENTORY \* 365 DAYS**

 **COST OF SALES**

**PORTLAND PAINTS**

 **728,047 \* 365 DAYS**

 **1,753,972**

 **=151 DAYS**

**BOCGAS**

 **156,404 \* 365DAYS**

 **1,425,662**

**= 40 DAYS**

**FROM THE ABOVE COMPUTATION PORT LAND PAINT INVENTORIES WILL REMAIN IN THE STORE FOR 151 DAYS BEFORE BEING SOLD WHILE BOCGAS INVENTORIES WILL REMAIN IN THE STORE FOR 40 DAYS BEFORE THEY ARE BEING SOLD**

1. **RECEIVABLE TURNOVER**

**CREDIT SALES**

 **TRADE RECEIVABLES**

**PORTLAND PAINT**

**2,829,262**

 **476,180**

 **=6 TIMES**

**BOCGAS**

 **2,869,713**

 **425,776**

**=7 TIMES**

 **FROM THE ABOVE COMPUTATION PORTLAND PAINT INVENTORY TURNOVER WILL BE TURNED 6 TIMES WHILE BOCGAS INVENOTRY TURNOVER WILL BE TURNED FOR 7 TIMES**

1. **PAYABLE TURNOVER**

**CREDIT PURCHASES**

 **TRADE PAYABLES**

**PORTLAND PAINT**

**1,753,972**

 **501,988**

**= 3 TIMES**

**BOCGAS**

**1,425,662**

**1,026,198**

**=1 TIME**

**FROM THE ABOVE COMPUTATION PORTLAND PAINT PAYABLE TURNOVER CAN BE TURNED 3 TIMES WHILE BOCGAS PAYABLEE TURNOVER CAN BE TURNED 1 TIME**

1. **INVENTORY TURNOVER**

**COST OF SALES**

 **INVENTORY**

**PORTLAND PAINT**

**1,753,972**

 **728,047**

**= 2TIMES**

**BOCGAS**

 **1,425,662**

 **156,404**

**= 9 TIMES**

**FROM THE ABOVE COMPUTATION PORTLAND PAINT INVENTORY TURNOVER CAN BE TURNED 2 TIMES WHILE BOCGAS INVENTORY TURNOVER CAN BE TURNED 9 TIMES**

**EFFICIENCY OR PROFITABILITY RATIOS**

1. **RETURN ON CAPITAL EMPLOYED**

**PROFIT BEFORE INTEREST AND TAX \* 100**

 **EQUITY + DEBT**

**PORTLAND PAINT**

 **307,533**

**14,048 + 1,536,981**

**= 20 %**

**BOCGAS**

 **558,569 \* 365 DAYS**

**2,662,537+ 529,765**

**= 17%**

**FROM THE ABOVE COMPUTATION PORTLAND PAINT HAS HIGHER RETURN THAN BOCGAS WITH 20%**

1. **GROSS PROFIT MARGIN**

**GROSS PROFIT \* 100%**

 **SALES**

**PORTLAND PAINT**

**1,075,290 \* 100%**

**2,829,262**

**= 38 %**

 **BOCGAS**

**1,444,051 \*100%**

 **2,869,713**

**= 50 %**

**FROM THE ABOVE COMPUTATION PORT LAND PAINT HAS A GROSS PROFIT OF 38% WHILE BOCAGS HAS A GROSS PROFIT MARGIN OF 50%**

1. **NET PROFIT MARGIN**

**NET PROFIT \* 100%**

 **SALES**

**PORTLAND PAINT**

**307,533 \* 100%**

**2,829,262**

**=11 %**

**BOCGAS**

**558,569 \*100**

 **2,869,713**

**=19%**

**FROM THE ABOVE COMPUTATION PORTLAND PAINT HAS A NET PROFIT MARGIN OF 11% AFTER ALL THE EXPENSES HAS BEEN DEDUCTED FROM REVENUE WHILE BOCGAS HAS A NET PROFIT MARGIN OF 19 % AFTER ALL THE EXPENSES HAS BEEN DEDUCTED FROM THE REVENUE**

**SHAREHOLDERS INVESTORS RATIO**

1. **NET ASSET PER SHARE**

**NET ASSET –PREFERENCE SHARE**

 **ORDINARY SHARE**

**PORTLAND PAINT**

**1,536,981-0**

 **396,708**

**= 3.8**

**BOCGAS**

**2,662,537-0**

 **208,122**

**= 12.7**

**LONG TERM SOLVENCY OR STABILITY RATIOS**

1. **GEARING RATIO**

 **DEBT**

**DEBT + EQUITY**

**PORTLAND PAINT**

 **1,536,981**

**1,536,981+14,048**

**=0.9**

**BOCGAS**

 **529,765**

 **529,765+2,662,537**

**= 0.2**

**FROM THE ABOVE COMPUTATION PORTLAND PAINT IS HIGHLY GEARED THAT INDIACTE THAT THEY FINACE THEIR BUSINESS WITH CAPITAL FROM OUTSIDERS WHIL E BOCGAS IS LOWLY GEARED WHICH MEAND THAT THEY FINANCE THEIR BUSINESS WITH THEIR CAPITAL INSTEAD OF THE FINANCE FROM OUTSIDERS**

1. **CONSUMER GOODS**

**STATEMENT OF FINANCIAL POSITION INTERPRETATION FOR GUINESS AND NESTLE IN THE YEAR 2018**

**SHORT TERM SOLVENCY AND LIQUIDITY RATIOS**

1. **CURRENT RATIO**

**CURRENT ASSET**

**CURRENT LIABILITY**

**GUINESS**

**51,610,047**

**42,847,115**

**=1.2**

**NESTLE**

**41,003**

**43,030**

**= 0.9**

**FROM THE ABOVE COMPUTATION BOTH GUINESS AND NESTLE HAD A LOW CURRENT RATIO WHICH INDIACTE THAT THEY CANNOT MEET THEIR CURRENT LIABILITY IN THE FUTURE AND CANNOT BE ACCEPTED AS IDEAL BECAUSE ITS NOT UP TO 2.1**

1. **QUICK ASSET OR ACID TEST RATIO**

**CURRENT ASST- INVENTORY**

 **CURRENT LIABILITIES**

**GUINESS**

**51,610,047-19,032,362**

 **42,847,115**

**= 0.7**

**FROM THE ABOVE COMPUTATION BOTH GUINESS AND NESTLE HAS A LOW QUICK ASSET OR ACID TEST RATIO WHICH IS NOT ACCEPTED AS IDEAL BECAUSE ITS NOT EVEN UP TO 1.1 WHICH INDIACTE THAT THEY CANNOT BE ABLE TO MEET THEIR CURRENT LIABILITIES IN THE FUTURE**

**NESTLE**

**41,003-9,125**

 **43,030**

**=0.7**

1. **RECEIVABLE COLLECTION PERIOD**

**TRADE RECEVIABLE \*365 DAYS**

 **CREDIT SALES**

**GUINESS**

**23,890,304 \*365 DAYS**

**142,295,792**

**= 61 DAYS**

**NESTLE**

**11,167 \*365 DAYS**

**91,439**

**=44 DAYS**

**FROM THE ABOVE COMPUATION GUINESS WILL COLLECT THEIR PAYMENT FROM TRADE RECEIVABLES AFETR 61 DAYS WHILE NESTLE WILL COLLECT THEIR PAYMENT FROM TRADE RECEIVABLES AFTER 44 DAYS**

1. **PAYABLE PAYMENT PERIOD**

**TRADE PAYABLE \*365 DAYS**

**CREDIT PURCHASES**

**GUINESS**

**31,175,725 \*365 DAYS**

**94,350,387**

**= 120 DAYS**

**NESTLE**

**17,800\*365 DAYS**

**46,070**

**=141 DAYS**

**FROM THE ABOVE COMPUTATION GUINESS WILL PAY ITS TRADE PAYABLES AFTER 120 DAYS WHILE NESTLE WILL PAY ITS TRADE PAYABLES AFTER 141 DAYS**

1. **INVENTORY TURNOVER PERIOD**

**TRADE INVENTORY**

 **COST OF SALES**

**GUINESS**

**19,032,362 \*365 DAYS**

 **94,350,387**

**= 73 DAYS**

**NESTLE**

**9,125 \*365 DAYS**

**46,070**

**=72 DAYS**

**FROM THE ABOVE COMPUTATION GUINESS INVENTORIES WILL REMAIN IN THE STORE FOR 73 DAYS BEFORE BEING SOLD WHILE NESTLE INVENTORIES WILL REMAIN IN THE STORE FOR 72 DAYS BEFORE ITS BEING SOLD**

1. **RECEIVABLE TURNOVER**

**CREDIT SALES**

 **TRADE RECEIVAVLE**

**GUINESS**

**142,295,792**

 **23,890,304**

**=6 TIMES**

**NESTLE**

**91,439**

**11167**

**= 8 TIMES**

**FROM THE ABOVE COMPUTATION GUINESS RECEIVABLE TURNOVER WAS TURNED 6 TIMES WHILE NESTLE RECEIVABLE TURNOVER WAS TURNED 8 TIMES**

1. **PAYABLE TURNOVER**

**CREDIT PURCHASES**

 **TRADE PAYABLE**

**94,350,387**

**31,175,725**

**= 3 TIMES**

**NESTLE**

**46,070**

**17,800**

**= 3 TIMES**

**FROM THE ABOVE COMPUTATION GUINESS PAYABLE TURNOVER EAS TURNED 3 TIMES WHILE NESTLE PAYABLE TURNOVER WAAS TURNED 3 TIMES ALSO**

1. **INVENTORY TURNOVER**

**COST OF SALES**

**TRADE INVENTORY**

**GUINESS**

**94,350,387**

**19,032,362**

**=5 TIMES**

**NESTLE**

**46,070**

**9,125**

**=5 TIMES**

**FROM THE ABOVE COMPUTATION GUINESS INVENTORY TURNOVER WAS TURNED 5 TIMEA ALSO NESTLE INVENTORY TURNOVER WAS TURNED 5 TIMES**

**EFFICIENCY AND PROFITABILITY RATIOS**

1. **RETURN ON CAPITAL EMPLOYED**

**PROFIT BEFORE INTEREST AND TAX**

 **DEBT + EQUITY**

 **9,943,164**

**87,588,174+22,819,679**

**= 9%**

**NESTLE**

 **12,991**

**35,582+58,403**

**=14%**

**FROM THE ABOVE COMPUTATION NESTLE HAS A HIGHER RETURN THAN GUINESS WITH THE VALUE OF 14 %**

1. **GROSS PROFIT MARGIN**

**GROSS PROFIT \*100%**

 **SALES**

**GUINESS**

**48,625,405 \*100%**

**142,975,792**

**=34%**

**NESTLE**

**13,789 \*100**

**91,439**

**= 15%**

**FROM THE ABOVE COMPUTATION GUINESS HAS GROSS PROFIT MARGIN OF 34% WHIKE NESTLE HAS A GROSS PROFIR MARGIN OF 15 %**

1. **NET PROFIT MARGIN**

**NET PROFT \* 100%**

 **SALES**

 **GUINESS**

 **9,943,164 \*100%**

 **142,295,792**

 **=7%**

 **NESTLE**

 **12,991 \*100%**

 **91439**

 **=14%**

**FROM THE ABOVE COMPUTATION GUINESS NET PROFIT MARGIN IS 7% AFTER ALL EXPENSES HAS BEEN DEDUCTED FROM THE REVENUE WHILE NESTLE NET PROFIT MARGIN IS 14 % AFTER ALL THE EXPENSES HAS BEEN DEDUCTED FROM THE REVENUE**

 **SHAREHOLDERS INVESTORS RATIO**

1. **NET ASSET PER SHARE**

**NET ASSET –PREFERENCE SHARE**

 **NO OF ORDINARY SHARES**

**GUINESS**

**87,588,174-0**

**1,095,191**

**=0.79**

**NESTLE**

**53,403-0**

**306**

**=1.74**

**LONG TERM SOLVENCY OR SATBILITY RATIOS**

1. **GEARING RATIO**

 **DEBT**

**DEBT +EQUITY**

**GUINESS**

 **22,819,679**

**22,819,679+ 87,588,174**

**= 0.2**

**NESTLE**

 **35,582**

**35,582+58,403**

**=0.4**

**FROM THE ABOVE COIMPUTATION BOTH GUINESS AND NESTLE ARE LOWLT GEARED THAT INDICATE THAT THEY FINACE THEIR BUSINESS WITH THEIR CAPITAL RATHAR THAN FINACE FROIM OURSIDERS**

1. **FINANCIALS**

**STATEMENT OF FINANCIAL POSITION INTERPRETATION FOR UNITED BANK OF AFRICA( UBA ) AND FIDELITY**

**SHORT TERM SOLVENCY AND LIQUIDITY RATIOS**

**CURRENT RATIOS**

 **CURRENT ASSET**

**CURRENT LAIBILITIES**

**UNITED BANK OF AFRICA (UBA)**