**NAME: OLADEJI DELIGHT ADUKE**

**MATRIC NO: 17/SMS02/047**

**TITLE OF TERM PAPER: ACCOUNTING RATIOS**

**BASIC MATERIALS:**

**THOMAS WYATT PLC**

** SHORT TERM CURRENT RATIO:**

**1.) CURRENT RATIO: CURRENT ASSETS/CURRENT LIABILITIES**

**=26,194,088/215,678,121**

**=0.121:1**

**THE CURRENT RATIO OF ABOUT 0.121:1 MEANS THAT THE BUSSINESS WILL NOT BE ABLE TO SETTLE IT SHORT TERM OBILIGATION AS AT WHEN DUE PROVIDED ALL THE CURRENT ASSETS ITEMS (ESPECIALLY INVETORY AN RECEIVABLES) WILL BE REALIZED IN CASH.**

**2.) QUICK ASSET =CURRENT ASSETS-INVENTORY/CURRENT LIABILITIES**

**=26,194,088-4,435,797/215,678,121**

**=0.100:1**

**QUICK RATIO OF ABOUT 0.100:1 MEANS THAT THE BUSINESS WILL NOT BE ABLE TO SETTLE IT SHORT TERM OBILIGATIONSAS AT WHEN DUE.**

**3.) RECEIVABLE COLLECTION PERIOD=AVERAGE TRADE RECEIVABLES/CREDIT SALES**

**=-/86,359,615×365days**

**=0**

**4.) INVENTORY TURNOVER PERIOD=AVERAGE INVENTORY/COST OF SALES×365days**

**=4,435,797/85,199,110×365days**

**=19days**

**AN INVETORY COLLECTION PERIOD OF ABOUT 19 DAYS INDICATE THAT IT WILL TAKE THE COMPANY ABOUT 19DAYS TO SELL IT’S GOODS TO CUSTOMERS AFTER PRODUTION OR PURCHASES THE FINISHED GOODS WILL REMAIN IN THE WAREHOUSE OR STORE FOR ABOUT 19 DAYS**

**ACTIVITY RATIO:**

**5.) RECEIVABLE TURNOVER=CREDIT SALES/AVERAGE RECEIVABLES**

**=86,359,615/-**

**=0**

**6.) PAYABLES TURNOVER =CREDIT PURCHASE/AVERAGE TRADE PAYABLES**

**=-/-**

**=0**

**7.) INVENTORY TURNOVER =COST OF SALES /AVERAGE INVENTORY**

**=85,199,110/4,435,797**

**=19times**

**THIS MEASURES HOW OFTEN THE BUSSINESS TURNS IT INVENTORY INTO SALES IT MEASURES THE RAPIDLY WITH WHICH A BUSSINESS IS ABLE TO TURN IT’S INVETORY INTO SALES IT TAKES COMPANY 19 TIMES THE HIGHER NUMBER OF TIMES THE MORE EFFEICENT THE INVENTORY MANAGEMENT OF THE BUSSINESS ARE.**

**PROFITABILITY RATIO:**

**8.) RETURN ON CAPITAL EMPLOYED= PROFIT BEFORE INTREST AND TAX/CAPITAL+EQUITY**

**-139,633,434/432,378,474**

**=-0.323**

**THE RATIO INDICATES THAT THE ROCE OF -0.323 INDICATES THE COMPANY LOSS A RETURN OF ABOUT -0.323 FOR EVERY ₦1 INVESTED.**

**9.) GROSS PROFIT PERCENTAGE=GROSS PROFIT/SALES×100%**

**=1,160,505/86,359,615×100**

**=1.34%**

**FROM THE RATIO ABOVE GROSS PROFIT MARGIN OF ABOUT 1.34% INDICATES THAT THE COMPANY WILL EARN A PROFIT ABOUT 1.34NAIRA FOR EVERY ₦1 REVENUE AFTER DEDUCTING ONLY COST OF SALES**

**10.) EXPENSES PERCENTAGE= INDIVIDUAL EXPENSES/SALES×100%**

**=229,079,248/86,359,615×100**

**=265.3%**

**LONG TERM SOLVENCY AND STABILITY RATIOS:**

**11.) GEARING RATIO= DEBT/DEBT+EQUITY**

**=718,639,240/718,639,240+(-286,260,766)**

**=1.6**

**A GEARING RATIO OF ABOUT 1.6% INDICATES THAT THE BUSSINESS IS HIGHLY GEARED SINCE ONLY ABOUT 1.6 IT’S LONG TERM CAPITAL WAS NOT BORROWED.**

CAP-PLC

> SHORT TERM SOLVENCY AND LIQUIDITY RATIO

**1.) CURRENT RATIO= CURRENT ASSETS/CURRENT LIABILITIES**

**=5,545,093/3,375,254**

**=1.643:1 THE CURRENT RATIO OF ABOUT 1.643:1 MEANS THAT THE BUSSINESS WILL NOT BE ABLE TO SETTLE IT SHORT TERM OBILIGATION AS AT WHEN DUE PROVIDED ALL THE CURRENT ASSETS ITEMS (ESPECIALLY INVETORY AN RECEIVABLES) WILL BE REALIZED IN CASH.**

**2.) QUICK ASETS =CURRENT ASSETS-INVENTORY/CURRENT LIABILITIES**

**=5,545,093-884,115/3,375,254**

**=1.381:1 QUICK RATIO OF ABOUT 1.381:1 MEANS THAT THE BUSINESS WILL NOT BE ABLE TO SETTLE IT SHORT TERM OBILIGATIONSAS AT WHEN DUE.**

**3.) RECEICVABLE COLLECTION PERIOD =AVERAGE TRADE RECEIVABLES/CREDIT SALES×365days**

**=88,974/7,764,534×365days**

**=4days**

**A TRADE RECEIVABLE PERIOD OF ABOUT 4DAYS INDICATE THAT IT WILL TAKE THE COMPANY ABOUT 4DAYS TO SELL IT GOODS TO CUSTOMER AFTER PRODUCTION OR PURCHASES.**

**4.) INVENTORY TURNOVER PERIOD= AVERAGE INVENTORY/ COST OF SALES×365days**

**=884,115/4,034,561×365days**

**=80days AN INVETORY COLLECTION PERIOD OF ABOUT 80 DAYS INDICATE THAT IT WILL TAKE THE COMPANY ABOUT 80DAYS TO SELL IT’S GOODS TO CUSTOMERS AFTER PRODUTION OR PURCHASES THE FINISHED GOODS WILL REMAIN IN THE WAREHOUSE OR STORE FOR ABOUT 80 DAYS**

**> ACTIVITY RATIO**

**5.) RECEIVABLE TURNOVER = CREDIT SALES/ AVERAGE RECEIVABLES**

**=7,764,534/88,974**

**=87times**

**A TRADE RECEIVABLE TURNOVER OF ABOUT 87 TIMES MEANS THAT ON THE AVERAGE, THE BUSSINESS WILL RECEIVE SETTLEMENT FROM THEIR CREDIT CUSTOMERS FOR ABOUT 87 TIMES DURING THE ACCOUNTING PERIOD.**

**6.) INVENTORY TURNOVER=COST OF SALES/AVERAGE INVENTORY**

**=4,034,561/884,115**

**=4.5times THIS MEASURES HOW OFTEN THE BUSSINESS TURNS IT INVENTORY INTO SALES IT MEASURES THE RAPIDLY WITH WHICH A BUSSINESS IS ABLE TO TURN IT’S INVETORY INTO SALES IT TAKES COMPANY 4.5 TIMES THE HIGHER NUMBER OF TIMES THE MORE EFFEICENT THE INVENTORY MANAGEMENT OF THE BUSSINESS ARE**

**EFFICIENCY RATIO**

**7.) RETURN ON CAPITAL EMPLOYED= PROFIT BEFORE INTRESET AND TAX/CAPITAL+EQUITY+DEBT**

**=2,597,832/6,311,246**

**=0.41 THE RATIO INDICATES THAT THE ROCE OF 0.41 INDICATES THE COMPANY EARNS A RETURN OF ABOUT 0.41 FOR EVERY ₦1 INVESTED**

**8.) GROSS PROFIT PERCENTAGE= GROSS PROFIT/SALES×100%**

**=3,729,973/7,764,534×100%**

**=48% FROM THE RATIO ABOVE GROSS PROFIT MARGIN OF ABOUT 48% INDICATES THAT THE COMPANY WILL EARN A PROFIT ABOUT 48 NAIRA FOR EVERY ₦1 REVENUE AFTER DEDUCTING ONLY COST OF SALES**

**9.) NET PROFIT MARGIN= NET PROFIT/SALES×100%**

**=2,029,343/7,764,534×100%**

**=26%**

**A NET PROFIT MARGIN OF ABOUT 26%INDICATE THAT THE COMPANY WILL EARN A PROFIT OF ABOUT 26NAIRA FOR EVERY ₦1 SALES REVENUE AFTER DEDUCTING ALL EXPENSES(EXCLUDING INTEREST EXPENSES AND TAX).**

**10.) EXPENSES TO SALES= INDIVIDUAL EXPENSE/SALES×100%**

** SELLING AND DISTRIBUTION EXPENSES: SELLING AND DISTRIBUTION EXPENSES / SALES×100%**

**=356,737/7,764,534×100%**

**=4.6% THE EXPENSES TO SALES OF 4.6% HAS CAUSED A DETORRATION IN PROFITBECAUSE THE RATIO HAS RISEN AT FASTER RATE OF THAN THE SALES**

** ADMINISTRATIVE EXPENSES: ADMINISTATRIVE EXPENSES/SALES×100%**

**=1,149,872/7,764,534×100%**

**=14.8% THE EXPENSES TO SALES OF 14.8% HAS CAUSED A DETORRATION IN PROFITBECAUSE THE RATIO HAS RISEN AT FASTER RATE OF THAN THE SALES**

**LONG TERM SOLVENCY**

**11.) GEARING RATIO= DEBT/DEBT+EQUITY**

**=3,502,307/6,311,246**

**=0.05 A GEARING RATIO OF ABOUT 0.05% INDICATES THAT THE BUSSINESS IS LOWLY GEARED SINCE ONLY ABOUT 0.05 IT’S LONG TERM CAPITAL WAS BORROWED**

**12.) TOTAL DEBT TO SHAREHOLDER’S FUND=NON-CURRENT LIABILITIES+CURRENT LIABILITIES/EQUITY+ SHAREHOLDERS FUND**

**=127,053+3,375,254/2,808,939**

**=1.25 THIS RATIO MEASURES SOLVENCY AND INDICATE THE EXTENT OF COVER FOR EXTERNAL LIABILITIES IT SHOW THAT THE RATIO OF 1.25 CAN COVER THE COMPANY LIABILITIES WITH 1.25**

INDUSTRIAL SECTOR

DANGOTE CEMENT PLC

SHORT TERM SOLVENCY

**1.) CURRENT RATIO:CURRENT ASSETS/CURRENT LIABILITES**

**=441,026,000/284,759,000**

**=1.55:1 THE CURRENT RATIO OF ABOUT 1.55:1 MEANS THAT THE BUSSINESS WILL NOT BE ABLE TO SETTLE IT SHORT TERM OBILIGATION AS AT WHEN DUE PROVIDED ALL THE CURRENT ASSETS ITEMS (ESPECIALLY INVETORY AN RECEIVABLES) WILL BE REALIZED IN CASH.**

**2.) QUICK RATIO: CURRENT ASSETS-INVENTORY/CURRENT LIABILITIES**

**=441,026,000-59,820,000/284,759,000**

**=1.34:1**

**QUICK RATIO OF ABOUT 1.34:1 MEANS THAT THE BUSINESS WILL NOT BE ABLE TO SETTLE IT SHORT TERM OBILIGATIONSAS AT WHEN DUE.**

**3.) RECEIVABLE COLLECTION PERIOD = AVERAGE TRADE RECEIVABLES/CREDIT SALES×365days**

**=7,036,000/618,301,000×365days**

**=4days A TRADE RECEIVABLE PERIOD OF ABOUT 4DAYS INDICATE THAT IT WILL TAKE THE COMPANY ABOUT 4DAYS TO SELL IT GOODS TO CUSTOMER AFTER PRODUCTION OR PURCHASES.**

**4.) INVENTORY TURNOVER PERIOD= AVERAGE INVENTORY/COST OF SALES×365days**

**=59,820,000/170,288,000×365days**

**=128day AN INVETORY COLLECTION PERIOD OF ABOUT 128DAYS INDICATE THAT IT WILL TAKE THE COMPANY ABOUT 128DAYS TO SELL IT’S GOODS TO CUSTOMERS AFTER PRODUTION OR PURCHASES THE FINISHED GOODS WILL REMAIN IN THE WAREHOUSE OR STORE FOR ABOUT 128 DAYS**

**ACTIVITY RATIO**

**5.) RECEIVABLE TURNOVER= CREDIT SALES/AVERAGE RECEIVABLES×365days**

**= 618,301,000/7,036,000×365days**

**=88days A TRADE RECEIVABLE TURNOVER OF ABOUT 88 TIMES MEANS THAT ON THE AVERAGE, THE BUSSINESS WILL RECEIVE SETTLEMENT FROM THEIR CREDIT CUSTOMERS FOR ABOUT 88 TIMES DURING THE ACCOUNTING PERIOD**

**6.) INVENTORY TURNOVER= COST OF SALES/ AVERAGE INVENTORY**

**=170,288,000/59,820,000**

**=3 times THIS MEASURES HOW OFTEN THE BUSSINESS TURNS IT INVENTORY INTO SALES IT MEASURES THE RAPIDLY WITH WHICH A BUSSINESS IS ABLE TO TURN IT’S INVETORY INTO SALES IT TAKES COMPANY 3 TIMES THE HIGHER NUMBER OF TIMES THE MORE EFFEICENT THE INVENTORY MANAGEMENT OF THE BUSSINESS ARE**

**EFFICENCY RATIO**

**7.) RETURN ON CAPITAL EMPLOYED =PROFIT BEFORE INTREST AND TAX/EQUITY+DEBT**

**=392,223,000/1,293,548,000+428,426,000**

**=0.22**

**THE RATIO INDICATES THAT THE ROCE OF 0.22 INDICATES THE COMPANY EARNS A RETURN OF ABOUT 0.22 FOR EVERY ₦1 INVESTED**

**8.) GROSS PROFIT PERCENTAGE = GROSS PROFIT/SALES×100%**

**=448,013,000/618,301,000×100%**

**=72% FROM THE RATIO ABOVE GROSS PROFIT MARGIN OF ABOUT 72% INDICATES THAT THE COMPANY WILL EARN A PROFIT ABOUT 48 NAIRA FOR EVERY ₦1 REVENUE AFTER DEDUCTING ONLY COST OF SALES**

**9.) EXPENSES TO SALES= INDIVIDUAL EXPENSES/SALES×100%**

** ADMINISTRATIVE EXPENSES= ADMINISTRATIVE EXPENSES/SALES×100%**

**=448,013,000/618,301,000×100%**

**=72%**

**SELLING AND DISTRIBUTION EXPENSES=SELLING AND DISTRIBUTION EXPENSES/SALES×100%**

**=89,278,000/618,301,000×100%**

**=14%**

**LONG TERM SOLVENCY**

**10.) GEARING RATIO= DEBT/DEBT+EQUITY**

**=428,426,000/428,426,000+1,293,548**

**=0.100 A GEARING RATIO OF ABOUT 0.100 INDICATES THAT THE BUSSINESS IS LOWLY GEARED SINCE ONLY ABOUT 0.100IT’S LONG TERM CAPITAL WAS BORROWED**

**11.) TOTAL DEBT TO SHARE HOLDER’S FUNDS=NON-CURRENT LIABILITIES+CURRENT LIABILITIES/EQUITY+SHAREHOLDER’S FUNDS**

**=143,667,000+284,759,000/1,293,548**

**=331.2**

CUTIX PLC

SHORT TERM SOLVENCY

**1.) CURRENT RATIO= CURRENT ASSETS/CURRENT LIABILITIES**

**=1,957,976/1,359,513**

**=1.44:1 THE CURRENT RATIO OF ABOUT 1.44:1 MEANS THAT THE BUSSINESS WILL NOT BE ABLE TO SETTLE IT SHORT TERM OBILIGATION AS AT WHEN DUE PROVIDED ALL THE CURRENT ASSETS ITEMS (ESPECIALLY INVETORY AN RECEIVABLES) WILL BE REALIZED IN CASH.**

**2.) QUICK RATIO= CURRENT ASSETS-INVENTORY/CURRENT LIABILITIES**

**=1,957,976-1,317,958/1,359,513**

**=0.47:1 QUICK RATIO OF ABOUT 0.47:1 MEANS THAT THE BUSINESS WILL NOT BE ABLE TO SETTLE IT SHORT TERM OBILIGATIONSAS AT WHEN DUE.**

**3.) RECEIVABLES COLLECTION PERIOD= AVERAGE TRADE RECEIVABLES /CREDIT SALES×365days**

**=58,403,000/5,057,374,000×365days**

**=4days A TRADE RECEIVABLE PERIOD OF ABOUT 4DAYS INDICATE THAT IT WILL TAKE THE COMPANY ABOUT 4DAYS TO SELL IT GOODS TO CUSTOMER AFTER PRODUCTION OR PURCHASES.**

**4.) INVENTORY TURNOVER PERIOD = AVERAGE INVENTORY/COST OF SALES**

**=1,317,958/3,536,685×365days**

**=136days AN INVETORY COLLECTION PERIOD OF ABOUT 136DAYS INDICATE THAT IT WILL TAKE THE COMPANY ABOUT 136DAYS TO SELL IT’S GOODS TO CUSTOMERS AFTER PRODUTION OR PURCHASES THE FINISHED GOODS WILL REMAIN IN THE WAREHOUSE OR STORE FOR ABOUT 136 DAYS**

**ACTIVITY RATIO**

**5.) RECEIVABLE TURNOVER=CREDIT SALES/ TRADE RECEIVABLES**

**=5,057,374,000/58,403,000**

**=87times A TRADE RECEIVABLE TURNOVER OF ABOUT 87 TIMES MEANS THAT ON THE AVERAGE, THE BUSSINESS WILL RECEIVE SETTLEMENT FROM THEIR CREDIT CUSTOMERS FOR ABOUT 87 TIMES DURING THE ACCOUNTING PERIOD**

**6.) INVENTORY TURNOVER=COST OF SALES/AVERAGE INVENTORY**

**=3,536,685/1,317,958**

**=3times THIS MEASURES HOW OFTEN THE BUSSINESS TURNS IT INVENTORY INTO SALES IT MEASURES THE RAPIDLY WITH WHICH A BUSSINESS IS ABLE TO TURN IT’S INVETORY INTO SALES IT TAKES COMPANY 3TIMES THE HIGHER NUMBER OF TIMES THE MORE EFFEICENT THE INVENTORY MANAGEMENT OF THE BUSSINESS ARE**

**EFFICIENCY RATIO**

**7.) RETURN ON CAPITAL EMPLOYED= EARNINGS BEFORE INTEREST AND TAX/EQUITY+DEBT**

**=799,070,000/1,299,292,000+1,536,970,000**

**=0.28 THE RATIO INDICATES THAT THE ROCE OF 0.28 INDICATES THE COMPANY EARNS A RETURN OF ABOUT 0.28 FOR EVERY ₦1 INVESTED**

**8.) GROSS PROFIT PERCENTAGE=GROSS PROFIT/SALES×100%**

**=1,520,689,000/5,057,374,000×100%**

**=30% FROM THE RATIO ABOVE GROSS PROFIT MARGIN OF ABOUT 30% INDICATES THAT THE COMPANY WILL EARN A PROFIT ABOUT 30 NAIRA FOR EVERY ₦1 REVENUE AFTER DEDUCTING ONLY COST OF SALES**

**9.) NET PROFIT MARGIN =NET PROFIT/SALES×100%**

**=440,295,000/5,057,374,000×100%**

**=8.7% A NET PROFIT MARGIN OF ABOUT 8.7%INDICATE THAT THE COMPANY WILL EARN A PROFIT OF ABOUT 8.7NAIRA FOR EVERY ₦1 SALES REVENUE AFTER DEDUCTING ALL EXPENSES(EXCLUDING INTEREST EXPENSES AND TAX).**

**10.) EXPENSES TO SALES=INDIVIDUAL EXPENSES/SALES×100%**

** DISTRIBUTION COST= DISTRIBUTION COST/ SALES×100%**

**=142,212,000/5,057,374,000×100%**

**=2.8%**

** ADMINISTRATION EXPENSES=ADMINISTRATION EXPENSES/SALES×100%**

**=613,304,000/5,057,374,000×100%**

**=12.1%**

**LONG TERM SOLVENCY RATIO**

**11.) GEARING RATIO =DEBT/DEBT+EQUITY**

**=1,536,970,000/1,536,970,000+1,299,292,000**

**=0.5 A GEARING RATIO OF ABOUT 0.5% INDICATES THAT THE BUSSINESS IS HIGHLY GEARED SINCE ONLY ABOUT 0.5 IT’S LONG TERM CAPITAL WAS BORROWED**

**12.) TOTAL DEBT TO SHAREHOLDERS’S FUND= NON CURRENT LIABILITIES +CURRENT LIABILITIES/EQUITY+SHAREHOLDERS’S FUND**

**=177,457,000+1,359,513,000/1,299,292,000**

**=1.18 THIS RATIO MEASURES SOLVENCY AND INDICATE THE EXTENT OF COVER FOR EXTERNAL LIABILITIES IT SHOW THAT THE RATIO OF 1.18 CAN COVER THE COMPANY LIABILITIES WITH 1.18**

CONSUMER SERVICE SECTOR

**IKEJA HOTEL PLC**

SHORT TERM SOLVENCY

**1.) CURRENT RATIO: CURRENT ASSETS/CURRENT LIABILITIES**

**=4,051,588/6,754,209**

**=0.59:1 THE CURRENT RATIO OF ABOUT 0.121:1 MEANS THAT THE BUSSINESS WILL NOT BE ABLE TO SETTLE IT SHORT TERM OBILIGATION AS AT WHEN DUE PROVIDED ALL THE CURRENT ASSETS ITEMS (ESPECIALLY INVETORY AN RECEIVABLES) WILL BE REALIZED IN CASH.**

**2.) QUICK RATIO= CURRENT ASSETS-INVENTORY/CURRENT LIABILITIES**

**=4,051,588-55,333,000/6,754,209**

**=0.59:1 QUICK RATIO OF ABOUT 0.59:1 MEANS THAT THE BUSINESS WILL NOT BE ABLE TO SETTLE IT SHORT TERM OBILIGATIONSAS AT WHEN DUE.**

**3.) RECEIVABLES COLLECTION PERIOD= AVERAGE TRADE RECEIVABLES CREDIT SALES×365days**

**=783,003,000/7,290,213,000×365days**

**=39days**

**4.) INVENTORY TURNOVER PERIOD = AVERAGE INVENTORY/COST OF SALES**

**=55,333,000/4,670,742,000×365**

**=4days AN INVETORY COLLECTION PERIOD OF ABOUT 128DAYS INDICATE THAT IT WILL TAKE THE COMPANY ABOUT 4DAYS TO SELL IT’S GOODS TO CUSTOMERS AFTER PRODUTION OR PURCHASES THE FINISHED GOODS WILL REMAIN IN THE WAREHOUSE OR STORE FOR ABOUT 4 DAYS**

**ACTIVITY RATIO**

**5.) RECEIVABLE TURNOVER=CREDIT SALES/ TRADE RECEIVABLES**

**=7,290,213,000/783,003,000**

**=9times A TRADE RECEIVABLE TURNOVER OF ABOUT 9 TIMES MEANS THAT ON THE AVERAGE, THE BUSSINESS WILL RECEIVE SETTLEMENT FROM THEIR CREDIT CUSTOMERS FOR ABOUT 9TIMES DURING THE ACCOUNTING PERIOD**

**6.) INVENTORY TURNOVER=COST OF SALES/AVERAGE INVENTORY**

**=4,670,742,000/55,333,000**

**=84times THIS MEASURES HOW OFTEN THE BUSSINESS TURNS IT INVENTORY INTO SALES IT MEASURES THE RAPIDLY WITH WHICH A BUSSINESS IS ABLE TO TURN IT’S INVETORY INTO SALES IT TAKES COMPANY 84 TIMES THE HIGHER NUMBER OF TIMES THE MORE EFFEICENT THE INVENTORY MANAGEMENT OF THE BUSSINESS ARE**

**7.) RETURN ON CAPITAL EMPLOYED =PROFIT BEFORE INTREST AND TAX/EQUITY+DEBT**

**=827,273,000/8,102,939,000+16,506,171,000**

**=0.03**

**8.) GROSS PROFIT PERCENTAGE=GROSS PROFIT/SALES×100%**

**2,619,489,000/7,290,231,000×100%**

**=36% FROM THE RATIO ABOVE GROSS PROFIT MARGIN OF ABOUT 36% INDICATES THAT THE COMPANY WILL EARN A PROFIT ABOUT 36 NAIRA FOR EVERY ₦1 REVENUE AFTER DEDUCTING ONLY COST OF SALES**

**9.) NET PROFIT MARGIN =NET PROFIT/SALES×100%**

**=677,034,000/7,290,231,000×100%**

**=9.2%**

**10.) EXPENSES TO SALES=INDIVIDUAL EXPENSES/SALES×100%**

** Sales and marketing: sales and marketing/sales×100%**

**236,584/7,290,231×100%**

**=3.2% THE EXPENSES TO SALES OF 3.2% HAS CAUSED A DETORRATION IN PROFITBECAUSE THE RATIO HAS RISEN AT FASTER RATE OF THAN THE SALES**

** Administrative expenses= Administrative expenses/sales ×100%**

**=983,406/7,290,231×100%**

**=13.4% THE EXPENSES TO SALES OF 13.4% HAS CAUSED A DETORRATION IN PROFITBECAUSE THE RATIO HAS RISEN AT FASTER RATE OF THAN THE SALES**

**LONG TERM SOLVENCY RATIO**

**11.) GEARING RATIO=DEBT/DEBT+EQUITY**

**=16,506,171/16,506,171+8,102,939**

**=0.6 A GEARING RATIO OF ABOUT 0.6% INDICATES THAT THE BUSSINESS IS LOWLY GEARED SINCE ONLY ABOUT 0.6 IT’S LONG TERM CAPITAL WAS BORROWED**

**12.) TOTAL DEBT TO SHAREHOLDER’S FUND =NON CURRENT LIABILITIES +CURRENT LIABILITIES/EQUITY+SHAREHOLDERS’S FUND**

**=9,751,962/8,102,939**

**=1.20 THIS RATIO MEASURES SOLVENCY AND INDICATE THE EXTENT OF COVER FOR EXTERNAL LIABILITIES IT SHOW THAT THE RATIO OF 1.20 CAN COVER THE COMPANY LIABILITIES WITH 1.20.**

**CAPITAL HOTEL PLC**

**SHORT TERM SOLVENCY**

1. **CURRENT RATIO: CURRENT ASSETS/CURRENT LIABILITIES**

**=5,255,177/2,980,778**

**=1.7:1 THE CURRENT RATIO OF ABOUT 1.7:1MEANS THAT THE BUSSINESS WILL NOT BE ABLE TO SETTLE IT SHORT TERM OBILIGATION AS AT WHEN DUE PROVIDED ALL THE CURRENT ASSETS ITEMS (ESPECIALLY INVETORY AN RECEIVABLES) WILL BE REALIZED IN CASH.**

1. **QUICK RATIO= CURRENT ASSETS-INVENTORY/CURRENT LIABILITIES**

**=5,255,177-205,645/2,980,778**

**=1.6:1 QUICK RATIO OF ABOUT 1.6:1 MEANS THAT THE BUSINESS WILL BE ABLE TO SETTLE IT SHORT TERM OBILIGATIONSAS AT WHEN DUE.**

1. **RECEIVABLES COLLECTION PERIOD= AVERAGE TRADE RECEIVABLES CREDIT SALES×365days**

**=668,486/1,452,278×365days**

**=168days A TRADE RECEIVABLE PERIOD OF ABOUT 168DAYS INDICATE THAT IT WILL TAKE THE COMPANY ABOUT 168DAYS TO SELL IT GOODS TO CUSTOMER AFTER PRODUCTION OR PURCHASES.**

1. **INVENTORY TURNOVER PERIOD = AVERAGE INVENTORY/COST OF SALES**

**=205,645/1,076,470×365days**

**ACTIVITY RATIO**

1. **INVENTORY TURNOVER=COST OF SALES/AVERAGE INVENTORY**

**=1,076,470/205,645**

**=5times THIS MEASURES HOW OFTEN THE BUSSINESS TURNS IT INVENTORY INTO SALES IT MEASURES THE RAPIDLY WITH WHICH A BUSSINESS IS ABLE TO TURN IT’S INVETORY INTO SALES IT TAKES COMPANY 5 TIMES THE HIGHER NUMBER OF TIMES THE MORE EFFEICENT THE INVENTORY MANAGEMENT OF THE BUSSINESS ARE**

1. **RECEIVABLE TURNOVER=CREDIT SALES/ TRADE RECEIVABLES**

**=1,452,278/688,486**

**=2times A TRADE RECEIVABLE TURNOVER OF ABOUT 87 TIMES MEANS THAT ON THE AVERAGE, THE BUSSINESS WILL RECEIVE SETTLEMENT FROM THEIR CREDIT CUSTOMERS FOR ABOUT 87 TIMES DURING THE ACCOUNTING PERIOD**

**EFFICENCY RATIO**

1. **RETURN ON CAPITAL EMPLOYED =PROFIT BEFORE INTREST AND TAX/EQUITY+DEBT**

**=150,990/6,323,955+4,415,597**

**=0.01**

1. **GROSS PROFIT PERCENTAGE=GROSS PROFIT/SALES×100%**

**=375,808/1,452,278×100%**

**=25.9% FROM THE RATIO ABOVE GROSS PROFIT MARGIN OF ABOUT 25.9% INDICATES THAT THE COMPANY WILL EARN A PROFIT ABOUT 25.9NAIRA FOR EVERY ₦1 REVENUE AFTER DEDUCTING ONLY COST OF SALES**

1. **NET PROFIT MARGIN =NET PROFIT/SALES×100%**

**=108,336/1,452,278×100%**

**7.46%**

1. **EXPENSES TO SALES=INDIVIDUAL EXPENSES/SALES×100%**

** Sales and marketing: sales and marketing/sales×100%**

**=72,369/1,452,278×100%**

**=4.98% THE EXPENSES TO SALES OF 4.98% HAS CAUSED A DETORRATION IN PROFITBECAUSE THE RATIO HAS RISEN AT FASTER RATE OF THAN THE SALES**

* **Administration and general expenses=173,059/1,452,278×100**

**=11.9% THE EXPENSES TO SALES OF 11.9% HAS CAUSED A DETORRATION IN PROFITBECAUSE THE RATIO HAS RISEN AT FASTER RATE OF THAN THE SALES**

LONG TERM SOLVENCY

1. **GEARING RATIO=DEBT/DEBT+EQUITY**

**4,145,597/4,145,597+6,323,955**

**=0.4 A GEARING RATIO OF ABOUT 0.4% INDICATES THAT THE BUSSINESS IS LOWLY GEARED SINCE ONLY ABOUT 0.4 IT’S LONG TERM CAPITAL WAS BORROWED**

1. **TOTAL DEBT TO SHAREHOLDER’S FUND =NON CURRENT LIABILITIES +CURRENT LIABILITIES/EQUITY+SHAREHOLDERS’S FUND**

**=1,164,819+2,980,778/6,323,955**

**=0.67 THIS RATIO MEASURES SOLVENCY AND INDICATE THE EXTENT OF COVER FOR EXTERNAL LIABILITIES IT SHOW THAT THE RATIO OF 0.67CAN COVER THE COMPANY LIABILITIES WITH 0.67**

TELECOMMUNICATIONS SECTOR

**OMATEK VENTURES PLC**

**SHORT TERM SOLVENCY**

1. **CURRENT RATIO: CURRENT ASSETS/CURRENT LIABILITIES**

**=3487/4455**

**=0.79:1 THE CURRENT RATIO OF ABOUT 0.79:1 MEANS THAT THE BUSSINESS WILL NOT BE ABLE TO SETTLE IT SHORT TERM OBILIGATION AS AT WHEN DUE PROVIDED ALL THE CURRENT ASSETS ITEMS (ESPECIALLY INVETORY AN RECEIVABLES) WILL BE REALIZED IN CASH.**

1. **QUICK RATIO= CURRENT ASSETS-INVENTORY/CURRENT LIABILITIES**

**=3487-0/4455**

**=0.79:1 QUICK RATIO OF ABOUT 0.79:1 MEANS THAT THE BUSINESS WILL NOT BE ABLE TO SETTLE IT SHORT TERM OBILIGATIONSAS AT WHEN DUE.**

1. **RECEIVABLES COLLECTION PERIOD= AVERAGE TRADE RECEIVABLES CREDIT SALES×12MONTHS**

**=3.487/-80×12months**

**=-523.05months A TRADE RECEIVABLE PERIOD OF ABOUT 523.05months INDICATE THAT IT WILL TAKE THE COMPANY ABOUT 523.05months TO SELL IT GOODS TO CUSTOMER AFTER PRODUCTION OR PURCHASES.**

1. **INVENTORY TURNOVER PERIOD = AVERAGE INVENTORY/COST OF SALES**

**=0/0**

**=0**

**ACTIVITY RATIO**

1. **RECEIVABLE TURNOVER=CREDIT SALES/ TRADE RECEIVABLES**

**=- 80/3487**

**=-0.023 A TRADE RECEIVABLE TURNOVER OF ABOUT -0.023 TIMES MEANS THAT ON THE AVERAGE, THE BUSSINESS WILL RECEIVE SETTLEMENT FROM THEIR CREDIT CUSTOMERS FOR ABOUT -0.023 TIMES DURING THE ACCOUNTING PERIOD TIMES**

**EFFICIENCY RATIO**

1. **RETURN ON CAPITAL EMPLOYED =PROFIT BEFORE INTREST AND TAX/EQUITY+DEBT**

**=13.06%×-0.09%**

**Profit margin ×asset turnover=-1.18%**

1. **GROSS PROFIT PERCENTAGE=GROSS PROFIT/SALES×100%**

**=80/-80×100**

**=1% FROM THE RATIO ABOVE GROSS PROFIT MARGIN OF ABOUT 1% INDICATES THAT THE COMPANY WILL EARN A PROFIT ABOUT 1 NAIRA FOR EVERY ₦1 REVENUE AFTER DEDUCTING ONLY COST OF SALES**

1. **NET PROFIT MARGIN =NET PROFIT/SALES×100%**

**=-1045/-80×100**

**=13.06% A NET PROFIT MARGIN OF ABOUT -0.01%INDICATE THAT THE COMPANY WILL EARN A PROFIT OF ABOUT 1NAIRA FOR EVERY ₦1 SALES REVENUE AFTER DEDUCTING ALL EXPENSES(EXCLUDING INTEREST EXPENSES AND TAX).**

1. **EXPENSES TO SALES=INDIVIDUAL EXPENSES/SALES×100%**

* **Admin expenses =-48/-80×100%**

**=0.54%**

* **Finance cost = -919/-80×100%**

**=11.48%**

* **Tax expenses = -4/80×100%**

**=0.05%**

**INVESTOR RATIO**

1. **EARNINGS PER SHARE=PROFIT AFTER TAX-DIVIDEND /NO OF ORDINARY SHARES**

**=1045-0/1471**

**=₦0.71 EARNINGS PER SHARE OF ABOUT 71NAIRA INDICATES THAT ABOUT 71NAIRA OF THE CURRENT PERIOD EQUITY EARNING IS ATTRIBUTABLE TO A UNITS OF ORDINARY SHARES IN ISSUE.**

1. **PRICE EARNINGS= MARKET PRICE PER SHARE /EARNING PER SHARE**

**=0.70/0.71**

**=0.99times**

**A PRICE EARNING RATIO OF ABOUT 0.99TIMES REVEALS THAT THE CAPITAL VALUE OF THE BUSINNES’S SHARE IS ABOUT 0.99TIMES HIGHER THAN IT’S CURRENT LEVEL OF EARNINGS.**

1. **EARNINGS YIELD: Earnings per share/ market price per share**

**=0.71/0.70**

**=1.01**

**AN EARNINGS YIELD OF ABOUT 1.01 PERCENT MEANS THAT A RETURN OF ABOUT 1.01NAIRA IS DUE ON EVERY ₦1 INVESMENT OF THE ORDINARY SHAREHOLDER’S BASED ON CURRENT PERIOD PERFORMANCE.**

1. **NET ASSETS PER SHARE: NET ASSETS-PREFERENCE SHARE CAPITAL /NO.OF ORDINARY SHARES**

**=5288-0/1471**

**=₦3.59**

**LONG TERM SOLVENCY RATIO**

1. **GEARING RATIO = DEBT/EQUITY**

**=3909/3046**

**=1.28 A GEARING RATIO OF ABOUT 1.28% INDICATES THAT THE BUSSINESS IS HIGHLY GEARED SINCE ONLY ABOUT 1.28 IT’S LONG TERM CAPITAL WAS BORROWED**

1. **TOTAL DEBT TO SHAREHOLDER’S FUND =NON CURRENT LIABILITIES +CURRENT LIABILITIES/EQUITY+SHAREHOLDERS’S FUND**

**=3909+4425/-3046**

**=-2.74 THIS RATIO MEASURES SOLVENCY AND INDICATE THE EXTENT OF COVER FOR EXTERNAL LIABILITIES IT SHOW THAT THE RATIO -2.74 CANNOT COVER IT’S LIABILITIES EXTERNALLY.**

**MTN GROUP LIMITED**

**SHORT TERM SOLVENCY**

1. **CURRENT RATIO: CURRENT ASSETS/CURRENT LIABILITIES**

**=548/2865**

**=0.19:1 THE CURRENT RATIO OF ABOUT 0.19:1 MEANS THAT THE BUSSINESS WILL NOT BE ABLE TO SETTLE IT SHORT TERM OBILIGATION AS AT WHEN DUE PROVIDED ALL THE CURRENT ASSETS ITEMS (ESPECIALLY INVETORY AN RECEIVABLES) WILL BE REALIZED IN CASH.**

1. **QUICK RATIO= CURRENT ASSETS-INVENTORY/CURRENT LIABILITIES**

**=548-0/2865**

**=0.19:1 QUICK RATIO OF ABOUT 0.19:1 MEANS THAT THE BUSINESS WILL NOT BE ABLE TO SETTLE IT SHORT TERM OBILIGATIONSAS AT WHEN DUE.**

1. **RECEIVABLES COLLECTION PERIOD= AVERAGE TRADE RECEIVABLES CREDIT SALES×12MONTHS**

**=418.5/11992×12**

**=0.42Months A TRADE RECEIVABLE PERIOD OF ABOUT 0.42months INDICATE THAT IT WILL TAKE THE COMPANY ABOUT 0.42months TO SELL IT GOODS TO CUSTOMER AFTER PRODUCTION OR PURCHASES.**

**ACTIVITY RATIO**

1. **RECEIVABLE TURNOVER=CREDIT SALES/ TRADE RECEIVABLES**

**=11992/418.5**

**=28.65TIMES A TRADE RECEIVABLE TURNOVER OF ABOUT 28.65 TIMES MEANS THAT ON THE AVERAGE, THE BUSSINESS WILL RECEIVE SETTLEMENT FROM THEIR CREDIT CUSTOMERS FOR ABOUT 87 TIMES DURING THE ACCOUNTING PERIOD**

1. **RETURN ON CAPITAL EMPLOYED =PROFIT BEFORE INTREST AND TAX/EQUITY+DEBT**

**=1%×0.56%**

**=0.56% THE RATIO INDICATES THAT THE ROCE OF 0.56 INDICATES THE COMPANY EARNS A RETURN OF ABOUT 0.56FOR EVERY ₦1 INVESTED**

1. **GROSS PROFIT PERCENTAGE=GROSS PROFIT/SALES×100%**

**=11972/11992×100**

**=1% FROM THE RATIO ABOVE GROSS PROFIT MARGIN OF ABOUT 1%INDICATES THAT THE COMPANY WILL EARN A PROFIT ABOUT 1 NAIRA FOR EVERY ₦1 REVENUE AFTER DEDUCTING ONLY COST OF SALES**

1. **NET PROFIT MARGIN =NET PROFIT/SALES×100%**

**=11957/11992×100**

**=1% A NET PROFIT MARGIN OF ABOUT 1%INDICATE THAT THE COMPANY WILL EARN A PROFIT OF ABOUT 1NAIRA FOR EVERY ₦1 SALES REVENUE AFTER DEDUCTING ALL EXPENSES(EXCLUDING INTEREST EXPENSES AND TAX).**

1. **EXPENSES TO SALES=INDIVIDUAL EXPENSES/SALES×100%**

**FINANCE COST=404/11992×100**

**=0.60%**

**Operating expenses =266/11992×100**

**=0.40%**

**INVESTOR RATIO**

1. **EARNINGS PER SHARE=PROFIT AFTER TAX-DIVIDEND /NO OF ORDINARY SHARES**

**=11957-0/1884269758**

**=₦0**

1. **PRICE EARNINGS= MARKET PRICE PER SHARE /EARNING PER SHARE**

**=0/0**

**=0**

1. **EARNINGS YIELD: Earnings per share/ market price per share**

**=0/0**

**=0**

1. **NET ASSETS PER SHARE: NET ASSETS-PREFERENCE SHARE CAPITAL /NO.OF ORDINARY SHARES**

**=24356-0/1884269758**

**=₦1.29**

**LONG TERM SOLVENCY**

1. **GEARING RATIO = DEBT/EQUITY**

**=1/21490**

**=0.00**

1. **TOTAL DEBT TO SHAREHOLDER’S FUND =NON CURRENT LIABILITIES +CURRENT LIABILITIES/EQUITY+SHAREHOLDERS’S FUND**

**=1+2865/21490**

**=0.13 THIS RATIO MEASURES SOLVENCY AND INDICATE THE EXTENT OF COVER FOR EXTERNAL LIABILITIES IT SHOW THAT THE RATIO OF 0.13 CAN COVER THE COMPANY LIABILITIES WITH 0.13.**

**HEALTH CARE SECTOR**

**FIDSON HEALTHCARE PLC**

**SHORT TERM SOLVENCY**

1. **CURRENT RATIO: CURRENT ASSETS/CURRENT LIABILITIES**

**=7,575,483/10,535,885**

**=0.72:1 THE CURRENT RATIO OF ABOUT 0.72:1 MEANS THAT THE BUSSINESS WILL NOT BE ABLE TO SETTLE IT SHORT TERM OBILIGATION AS AT WHEN DUE PROVIDED ALL THE CURRENT ASSETS ITEMS (ESPECIALLY INVETORY AN RECEIVABLES) WILL BE REALIZED IN CASH.**

1. **QUICK RATIO= CURRENT ASSETS-INVENTORY/CURRENT LIABILITIES**

**=7,575,483-2,875,133/10,535,885**

**=0.45:1 QUICK RATIO OF ABOUT 0.45:1 MEANS THAT THE BUSINESS WILL NOT BE ABLE TO SETTLE IT SHORT TERM OBILIGATIONSAS AT WHEN DUE.**

1. **RECEIVABLES COLLECTION PERIOD= AVERAGE TRADE RECEIVABLES CREDIT SALES×12MONTHS**

**=3,153,312/16,229,903×365days**

**=70.92days**

**ACTIVITY RATIO**

1. **RECEIVABLE TURNOVER=CREDIT SALES/ TRADE RECEIVABLES**

**=16229903/3153312**

**=5.15TIMES A TRADE RECEIVABLE TURNOVER OF ABOUT 5.15 TIMES MEANS THAT ON THE AVERAGE, THE BUSSINESS WILL RECEIVE SETTLEMENT FROM THEIR CREDIT CUSTOMERS FOR ABOUT 87 TIMES DURING THE ACCOUNTING PERIOD**

1. **INVENTORY TURNOVER PERIOD = AVERAGE INVENTORY/COST OF SALES×365days**

**=2315881/9910219×365days**

**=85.29days AN INVETORY COLLECTION PERIOD OF ABOUT 85.29DAYS INDICATE THAT IT WILL TAKE THE COMPANY ABOUT 136DAYS TO SELL IT’S GOODS TO CUSTOMERS AFTER PRODUTION OR PURCHASES THE FINISHED GOODS WILL REMAIN IN THE WAREHOUSE OR STORE FOR ABOUT 136 DAYS**

1. **INVENTORY TURNOVER: COST OF SALES/AVERAGE INVENTORY**

**=9910219/2315881**

**=4.28times**

**THIS MEASURES HOW OFTEN THE BUSSINESS TURNS IT INVENTORY INTO SALES IT MEASURES THE RAPIDLY WITH WHICH A BUSSINESS IS ABLE TO TURN IT’S INVETORY INTO SALES IT TAKES COMPANY 4.28 TIMES THE HIGHER NUMBER OF TIMES THE MORE EFFEICENT THE INVENTORY MANAGEMENT OF THE BUSSINESS ARE**

**EFFICIENCY RATIO**

1. **RETURN ON CAPITAL EMPLOYED =PROFIT BEFORE INTREST AND TAX/EQUITY+DEBT**

**=0.01×1.63**

**=0.02% THE RATIO INDICATES THAT THE ROCE OF 0.02INDICATES THE COMPANY EARNS A RETURN OF ABOUT 0.02 FOR EVERY ₦1 INVESTED**

1. **NET PROFIT MARGIN =NET PROFIT/SALES×100%**

**=-97447/16229903×100%**

**=-0.01% A NET PROFIT MARGIN OF ABOUT -0.01%INDICATE THAT THE COMPANY WILL EARN A PROFIT OF ABOUT 1NAIRA FOR EVERY ₦1 SALES REVENUE AFTER DEDUCTING ALL EXPENSES(EXCLUDING INTEREST EXPENSES AND TAX).**

1. **EXPENSES TO SALES=INDIVIDUAL EXPENSES/SALES×100%**

**ADMIN EXPENSES: 2614354/16229903×100**

**=0.16% THE EXPENSES TO SALES OF 0.16% HAS CAUSED A DETORRATION IN PROFITBECAUSE THE RATIO HAS RISEN AT FASTER RATE OF THAN THE SALES**

**SELLING AND DISTRIBUTION EXPENSES:1905330/16229903×100**

**=0.12% THE EXPENSES TO SALES OF 0.12% HAS CAUSED A DETORRATION IN PROFITBECAUSE THE RATIO HAS RISEN AT FASTER RATE OF THAN THE SALES**

1. **GROSS PROFIT MARGIN=GROSS PROFIT/SALES×100%**

**=6319684/16229903×100**

**=0.39% FROM THE RATIO ABOVE GROSS PROFIT MARGIN OF ABOUT 39% INDICATES THAT THE COMPANY WILL EARN A PROFIT ABOUT 39 NAIRA FOR EVERY ₦1 REVENUE AFTER DEDUCTING ONLY COST OF SALES**

INVESTOR RATIO

1. **NET ASSETS PER SHARE= NET ASSETS-PREFERENCE SHARE CAPITAL /NO.OF ORDINARY SHARES**

**=20483325-0/150000000**

**=₦0.01**

**LONG TERM SOLVENCY**

1. **GEARING RATIO = DEBT/EQUITY**

**=2793659/7153781**

**=0.39 A GEARING RATIO OF ABOUT 0.39% INDICATES THAT THE BUSSINESS IS HIGHLY GEARED SINCE ONLY ABOUT 0.39 IT’S LONG TERM CAPITAL WAS BORROWED**

1. **FIXED INTEREST COVER =PROFIT BEFORE TAX/FIXED INTEREST**

**=160867/11222**

**=14.33times**

1. **TOTAL DEBT TO SHAREHOLDER’S FUND =NON CURRENT LIABILITIES +CURRENT LIABILITIES/EQUITY+SHAREHOLDERS’S FUND**

**=2793659+10535885/7153781**

**=1.86**

**GLAXOSMITHKLINE CONSUMER NIGERIA PLC**

**SHORT TERM SOLVENCY RATIO**

1. **CURRENT RATIO: CURRENT ASSETS/CURRENT LIABILITIES**

**=13338313/6941940**

**=1.92:1 THE CURRENT RATIO OF ABOUT 1.92:1 MEANS THAT THE BUSSINESS WILL NOT BE ABLE TO SETTLE IT SHORT TERM OBILIGATION AS AT WHEN DUE PROVIDED ALL THE CURRENT ASSETS ITEMS (ESPECIALLY INVETORY AN RECEIVABLES) WILL BE REALIZED IN CASH.**

1. **QUICK RATIO= CURRENT ASSETS-INVENTORY/CURRENT LIABILITIES**

**=13338313-3938707/6941940**

**=1.35:1 QUICK RATIO OF ABOUT 1.35:1 MEANS THAT THE BUSINESS WILL BE ABLE TO SETTLE IT SHORT TERM OBILIGATIONSAS AT WHEN DUE.**

1. **RECEIVABLES COLLECTION PERIOD= AVERAGE TRADE RECEIVABLES CREDIT SALES×12MONTHS**

**=6275745/18411475×365DAYS**

**=12.44days A TRADE RECEIVABLE PERIOD OF ABOUT 12.44DAYS INDICATE THAT IT WILL TAKE THE COMPANY ABOUT 12.44DAYS TO SELL IT GOODS TO CUSTOMER AFTER PRODUCTION OR PURCHASES.**

1. **INVENTORY TURNOVER PERIOD = AVERAGE INVENTORY/COST OF SALES×12MONTHS**

**3653567/11654697×365days**

**=3.13days**

**ACTIVITY RATIO**

1. **RECEIVABLE TURNOVER=CREDIT SALES/ TRADE RECEIVABLES**

**=18411475/6275745**

**=2.93times A TRADE RECEIVABLE TURNOVER OF ABOUT 2.93 TIMES MEANS THAT ON THE AVERAGE, THE BUSSINESS WILL RECEIVE SETTLEMENT FROM THEIR CREDIT CUSTOMERS FOR ABOUT 2.93TIMES DURING THE ACCOUNTING PERIOD TIMES**

1. **INVENTORY TURNOVER= COST OF SALES/AVERAGE INVENTORY**

**=11654697/3653567**

**=3.19times THIS MEASURES HOW OFTEN THE BUSSINESS TURNS IT INVENTORY INTO SALES IT MEASURES THE RAPIDLY WITH WHICH A BUSSINESS IS ABLE TO TURN IT’S INVETORY INTO SALES IT TAKES COMPANY 3.19TIMES THE HIGHER NUMBER OF TIMES THE MORE EFFEICENT THE INVENTORY MANAGEMENT OF THE BUSSINESS ARE**

**EFFIECENCY RATIO**

1. **RETURN ON CAPITAL EMPLOYED =PROFIT BEFORE INTREST AND TAX/EQUITY+DEBT**

**OIL AND GAS SECTOR**

**OANDO PLC**

**SHORT TERM RATIO**

1. **CURRENT RATIO: CURRENT ASSETS/CURRENT LIABILITIES**

**164402215/227409609**

**=0.72:1 THE CURRENT RATIO OF ABOUT 0.72:1 MEANS THAT THE BUSSINESS WILL NOT BE ABLE TO SETTLE IT SHORT TERM OBILIGATION AS AT WHEN DUE PROVIDED ALL THE CURRENT ASSETS ITEMS (ESPECIALLY INVETORY AN RECEIVABLES) WILL BE REALIZED IN CASH.**

1. **QUICK RATIO= CURRENT ASSETS-INVENTORY/CURRENT LIABILITIES**

**=164402215-26514991/227409609**

**=0.61:1**

1. **RECEIVABLES COLLECTION PERIOD= AVERAGE TRADE RECEIVABLES CREDIT SALES×12MONTHS**

**=138383210/488518160×12MONTHS**

**=3MONTHS A TRADE RECEIVABLE PERIOD OF ABOUT 3months INDICATE THAT IT WILL TAKE THE COMPANY ABOUT 3months TO SELL IT GOODS TO CUSTOMER AFTER PRODUCTION OR PURCHASES.**

1. **INVENTORY TURNOVER PERIOD = AVERAGE INVENTORY/COST OF SALES×12MONTHS**

**=1313257496/-48889339074×12months**

**=0.33months AN INVETORY COLLECTION PERIOD OF ABOUT 0.33MONTHS INDICATE THAT IT WILL TAKE THE COMPANY ABOUT 0.33MONTHS TO SELL IT’S GOODS TO CUSTOMERS AFTER PRODUTION OR PURCHASES THE FINISHED GOODS WILL REMAIN IN THE WAREHOUSE OR STORE FOR ABOUT 136 DAYS**

**ACTIVITY RATIO**

1. **RECEIVABLE TURNOVER=CREDIT SALES/ TRADE RECEIVABLES**

**=488518160/138383210**

**=3.53 A TRADE RECEIVABLE TURNOVER OF ABOUT 3.53 TIMES MEANS THAT ON THE AVERAGE, THE BUSSINESS WILL RECEIVE SETTLEMENT FROM THEIR CREDIT CUSTOMERS FOR ABOUT 3.53TIMES DURING THE ACCOUNTING PERIOD**

1. **INVENTORY TURNOVER= COST OF SALES/AVERAGE INVENTORY**

**=-488938074/13257496**

**=-36.88 THIS MEASURES HOW OFTEN THE BUSSINESS TURNS IT INVENTORY INTO SALES IT MEASURES THE RAPIDLY WITH WHICH A BUSSINESS IS ABLE TO TURN IT’S INVETORY INTO SALES IT TAKES COMPANY -36.88 TIMES THE HIGHER NUMBER OF TIMES THE MORE EFFEICENT THE INVENTORY MANAGEMENT OF THE BUSSINESS ARE**

**EFFICENCY RATIO**

1. **RETURN ON CAPITAL EMPLOYED =PROFIT MARGIN×ASSET TURNOVER**

**=-0.04%×54.54%**

**=-2.18%**

1. **GROSS PROFIT MARGIN=GROSS PROFIT/SALES×100%**

**=-419914/488518160×100**

**=0.001% FROM THE RATIO ABOVE GROSS PROFIT MARGIN OF ABOUT 1% INDICATES THAT THE COMPANY WILL EARN A PROFIT ABOUT 1NAIRA FOR EVERY ₦1 REVENUE AFTER DEDUCTING ONLY COST OF SALES**

1. **NET PROFIT MARGIN =NET PROFIT/SALES×100%**

**=-17696310/4888518160×100%**

**=0.04% A NET PROFIT MARGIN OF ABOUT 4%INDICATE THAT THE COMPANY WILL EARN A PROFIT OF ABOUT 4NAIRA FOR EVERY ₦1 SALES REVENUE AFTER DEDUCTING ALL EXPENSES(EXCLUDING INTEREST EXPENSES AND TAX).**

1. **EXPENSES TO SALES=INDIVIDUAL EXPENSES/SALES×100%**

**ADMIN EXPENSES=70457124/488518160×100%**

**=0.14% THE EXPENSES TO SALES OF 0.14% HAS CAUSED A DETORRATION IN PROFITBECAUSE THE RATIO HAS RISEN AT FASTER RATE OF THAN THE SALES**

**FINANCE COST=42706619/488518160×100%**

**=0.09%**

**INVESTOR RATIO**

1. **NET ASSETS PER SHARE: NET ASSETS-PREFERENCE SHARE CAPITAL /NO.OF ORDINARY SHARES**

**=236366708-0/3000000000**

**=₦0.01**

1. **EARNINGS PER SHARE=PROFIT AFTER TAX-DIVIDEND /NO OF ORDINARY SHARES**

**=-18321877-0/3000000000**

**=0.001 EARNINGS PER SHARE OF ABOUT 1NAIRA INDICATES THAT ABOUT 1NAIRA OF THE CURRENT PERIOD EQUITY EARNING IS ATTRIBUTABLE TO A UNITS OF ORDINARY SHARES IN ISSUE.**

**LONG TERM SOLVENCY**

1. **GEARING RATIO = DEBT/EQUITY**

**=69856667/-60899586**

**=-1.15 A GEARING RATIO OF ABOUT 1.15 INDICATES THAT THE BUSSINESS IS LOWLY GEARED SINCE ONLY ABOUT 1.15 IT’S LONG TERM CAPITAL WAS BORROWED**

1. **FIXED INTEREST COVER =PROFIT BEFORE TAX/FIXED INTEREST**

**=-17695310/0**

**=0times**

1. **TOTAL DEBT TO SHAREHOLDER’S FUND =NON CURRENT LIABILITIES +CURRENT LIABILITIES/EQUITY+SHAREHOLDERS’S FUND**

**=69856667+227409609/-60899568**

**=-4.88**

**THIS RATIO MEASURES SOLVENCY AND INDICATE THE EXTENT OF COVER FOR EXTERNAL LIABILITIES IT SHOW THAT THE RATIO OF -4.88 CANNOT COVER THE COMPANY LIABILITIES.**

**FORTE OIL**

**SHORT TERM SOLVENCY**

1. **CURRENT RATIO: CURRENT ASSETS/CURRENT LIABILITIES**

**=49591082/39438641**

**=1.26:1 THE CURRENT RATIO OF ABOUT 1.26:1 MEANS THAT THE BUSSINESS WILL NOT BE ABLE TO SETTLE IT SHORT TERM OBILIGATION AS AT WHEN DUE PROVIDED ALL THE CURRENT ASSETS ITEMS (ESPECIALLY INVETORY AN RECEIVABLES) WILL BE REALIZED IN CASH.**

**C**

1. **QUICK RATIO= CURRENT ASSETS-INVENTORY/CURRENT LIABILITIES**

**=49591082-9528146/3943864**

**=1.02:1 QUICK RATIO OF ABOUT 1.02:1 MEANS THAT THE BUSINESS WILL BE ABLE TO SETTLE IT SHORT TERM OBILIGATIONSAS AT WHEN DUE.**

1. **RECEIVABLES COLLECTION PERIOD= AVERAGE TRADE RECEIVABLES CREDIT SALES×12MONTHS**

**=31171794/134706306×12MONTHS**

**=2.78MONTHS A TRADE RECEIVABLE PERIOD OF ABOUT 2.78months INDICATE THAT IT WILL TAKE THE COMPANY ABOUT 2.78months TO SELL IT GOODS TO CUSTOMER AFTER PRODUCTION OR PURCHASES.**

1. **INVENTORY TURNOVER PERIOD = AVERAGE INVENTORY/COST OF SALES×12MONTHS**

**7073266/1233766240×12MONTHS**

**=0.69MONTHS AN INVETORY COLLECTION PERIOD OF ABOUT 0.69MONTHS INDICATE THAT IT WILL TAKE THE COMPANY ABOUT 0.69MONTHS TO SELL IT’S GOODS TO CUSTOMERS AFTER PRODUTION OR PURCHASES THE FINISHED GOODS WILL REMAIN IN THE WAREHOUSE OR STORE FOR ABOUT 136 DAYS**

**ACTIVITY RATIO**

1. **RECEIVABLE TURNOVER=CREDIT SALES/ TRADE RECEIVABLES**

**=134706306/31171794**

**=4.32times A TRADE RECEIVABLE TURNOVER OF ABOUT 4.32 TIMES MEANS THAT ON THE AVERAGE, THE BUSSINESS WILL RECEIVE SETTLEMENT FROM THEIR CREDIT CUSTOMERS FOR ABOUT 87 TIMES DURING THE ACCOUNTING PERIOD**

1. **INVENTORY TURNOVER= COST OF SALES/AVERAGE INVENTORY**

**=123376240/7073266**

**=17.44**

**EFFICIENCY RATIO**

1. **RETURN ON CAPITAL EMPLOYED =PROFIT MARGIN×ASSET TURNOVER**

**=0.004×6.33**

**=0.03%**

1. **GROSS PROFIT MARGIN=GROSS PROFIT/SALES×100%**

**=11330066/134,706,306**

**=0.08% FROM THE RATIO ABOVE GROSS PROFIT MARGIN OF ABOUT 8% INDICATES THAT THE COMPANY WILL EARN A PROFIT ABOUT 8 NAIRA FOR EVERY ₦1 REVENUE AFTER DEDUCTING ONLY COST OF SALES**

1. **NET PROFIT MARGIN =NET PROFIT/SALES×100%**

**=1,028,544/134,706,306**

**=0.08% A NET PROFIT MARGIN OF ABOUT 8%INDICATE THAT THE COMPANY WILL EARN A PROFIT OF ABOUT 8NAIRA FOR EVERY ₦1 SALES REVENUE AFTER DEDUCTING ALL EXPENSES(EXCLUDING INTEREST EXPENSES AND TAX).**

1. **EXPENSES TO SALES=INDIVIDUAL EXPENSES/SALES×100%**

**DISTRIBUTION EXPENSES=2245688/134706306×1005**

**=0.06% THE EXPENSES TO SALES OF 0.06% HAS CAUSED A DETORRATION IN PROFITBECAUSE THE RATIO HAS RISEN AT FASTER RATE OF THAN THE SALES**

**FINANCE COST=3040799/134076306×100%**

**=0.02%**

**INVESTOR RATIO**

1. **PRICE EARNINGS= MARKET PRICE PER SHARE /EARNING PER SHARE**

**=0.02/0.48**

**=₦0.04 A PRICE EARNING RATIO OF ABOUT 0.04TIMES REVEALS THAT THE CAPITAL VALUE OF THE BUSINNES’S SHARE IS ABOUT 0.04TIMES HIGHER THAN IT’S CURRENT LEVEL OF EARNINGS.**

1. **EARNINGS YIELD: Earnings per share/ market price per share**

**=0.48/.0.402**

**=24**

1. **NET ASSETS PER SHARE: NET ASSETS-PREFERENCE SHARE CAPITAL /NO.OF ORDINARY SHARES**

**=60729733-0/310629267**

**=₦0.25**

1. **DIVIDEND PER SHARE : GROSS DIVIDEND /NUMBER OF ORDINARY SHARES**

**=245,000/1,310,629,267**

**=₦0.00**

**LONG TERM SOLVENCY TERM**

1. **GEARING RATIO=DEBT/EQUITY**

**=7,542,122/13,748,970**

**=0.55 A GEARING RATIO OF ABOUT 0.55% INDICATES THAT THE BUSSINESS IS LOWLY GEARED SINCE ONLY ABOUT 0.55 IT’S LONG TERM CAPITAL WAS BORROWED**

1. **TOTAL DEBT TO SHAREHOLDER’S FUND =NON CURRENT LIABILITIES +CURRENT LIABILITIES/EQUITY+SHAREHOLDERS’S FUND**

**=2,542,122+39438641/13,748,970**

**=3.42 THIS RATIO MEASURES SOLVENCY AND INDICATE THE EXTENT OF COVER FOR EXTERNAL LIABILITIES IT SHOW THAT THE RATIO OF 3.42 CAN COVER THE COMPANY LIABILITIES WITH 3.42.**

**CONSUMER GOODS**

**NESTLE PLC**

**SHORT TERM SOLVENCY**

1. **CURRENT RATIO: CURRENT ASSETS/CURRENT LIABILITIES**

**=82,734,317/92,117,501**

**=0.90:1 THE CURRENT RATIO OF ABOUT 0.90:1 MEANS THAT THE BUSSINESS WILL NOT BE ABLE TO SETTLE IT SHORT TERM OBILIGATION AS AT WHEN DUE PROVIDED ALL THE CURRENT ASSETS ITEMS (ESPECIALLY INVETORY AN RECEIVABLES) WILL BE REALIZED IN CASH.**

1. **QUICJK RATIO: CURRENT ASSETS-INVENTORY/CURRENT LIABILITIES**

**=82,734,317-23,124,020/92,117,501**

**=0.65:1 QUICK RATIO OF ABOUT 0.65:1 MEANS THAT THE BUSINESS WILL NOT BE ABLE TO SETTLE IT SHORT TERM OBILIGATIONSAS AT WHEN DUE.**

1. **RECEIVABLES COLLECTION PERIOD= AVERAGE TRADE RECEIVABLES CREDIT SALES×12MONTHS**

**=15,802,756/266,274,621×12MONTHS**

**=0.71**

1. **INVENTORY TURNOVER PERIOD = AVERAGE INVENTORY/COST OF SALES×12MONTHS**

**=23,517,162/152,354,445**

**=1.85**

**ACTIVITY RATIO**

1. **RECEIVABLE TURNOVER=CREDIT SALES/ TRADE RECEIVABLES**

**=266,274,621/15,802,756**

**=16.85times A TRADE RECEIVABLE TURNOVER OF ABOUT 16.85 TIMES MEANS THAT ON THE AVERAGE, THE BUSSINESS WILL RECEIVE SETTLEMENT FROM THEIR CREDIT CUSTOMERS FOR ABOUT 16.85TIMES DURING THE ACCOUNTING PERIOD**

1. **INVENTORY TURNOVER= COST OF SALES/AVERAGE INVENTORY**

**=152,354,445/23,517,162**

**=6.48**

**EFFICIENCY RATIO**

1. **RETURN ON CAPITAL EMPLOYED =PROFIT MARGIN×ASSET TURNOVER**

**=0.10×3.79**

**= 0.379**

1. **GROSS PROFIT MARGIN=GROSS PROFIT/SALES×100%**

**=113,920,176/266,274,621×100%**

**=0.43% FROM THE RATIO ABOVE GROSS PROFIT MARGIN OF ABOUT 43% INDICATES THAT THE COMPANY WILL EARN A PROFIT ABOUT 43NAIRA FOR EVERY ₦1 REVENUE AFTER DEDUCTING ONLY COST OF SALES**

1. **NET PROFIT MARGIN=NET PROFIT/SALES×100%**

**=59,750,846/266,274,621**

**=0.22% A NET PROFIT MARGIN OF ABOUT 22%INDICATE THAT THE COMPANY WILL EARN A PROFIT OF ABOUT 22NAIRA FOR EVERY ₦1 SALES REVENUE AFTER DEDUCTING ALL EXPENSES(EXCLUDING INTEREST EXPENSES AND TAX).**

1. **EXPENSES TO SALES**

**MARKETING AND DISTRIBUTION EXPENSES**

**=43,489,898/266,274,621×100%**

**=0.16% THE EXPENSES TO SALES OF 0.16% HAS CAUSED A DETORRATION IN PROFITBECAUSE THE RATIO HAS RISEN AT FASTER RATE OF THAN THE SALES**

**ADMINISTRATION EXPENSES**

**=9,789,555/266,274,621**

**=0.04% THE EXPENSES TO SALES OF 0.04% HAS CAUSED A DETORRATION IN PROFITBECAUSE THE RATIO HAS RISEN AT FASTER RATE OF THAN THE SALES**

**FINANCE COST**

**=2,606,774/266,274,621**

**=0.01%**

**INVESTOR RATIO**

1. **PRICE EARNINGS= MARKET PRICE PER SHARE /EARNING PER SHARE**

**=53.76/54.26**

**=₦0.99 A PRICE EARNING RATIO OF ABOUT 0.99TIMES REVEALS THAT THE CAPITAL VALUE OF THE BUSINNES’S SHARE IS ABOUT 0.99TIMES HIGHER THAN IT’S CURRENT LEVEL OF EARNINGS.**

1. **EARNINGS YIELD: Earnings per share/ market price per share**

**=54.26/53.76**

**=1.01 AN EARNINGS YIELD OF ABOUT 1.01 PERCENT MEANS THAT A RETURN OF ABOUT 1.01NAIRA IS DUE ON EVERY ₦1 INVESMENT OF THE ORDINARY SHAREHOLDER’S BASED ON CURRENT PERIOD PERFORMANCE**

1. **NET ASSETS PER SHARE: NET ASSETS-PREFERENCE SHARE CAPITAL /NO.OF ORDINARY SHARES**

**162,334,422/792,656,252**

**=₦0.21**

**LONG TERM SOLVENCY RATIO**

1. **GEARING RATIO=DEBT/EQUITY**

**=19,996,435/50,220,486**

**=0.40 A GEARING RATIO OF ABOUT 0.40 INDICATES THAT THE BUSSINESS IS LOWLY GEARED SINCE ONLY ABOUT 0.40 IT’S LONG TERM CAPITAL WAS BORROWED**

1. **TOTAL DEBT TO SHAREHOLDER’S FUND =NON CURRENT LIABILITIES +CURRENT LIABILITIES/EQUITY+SHAREHOLDERS’S FUND**

**=112,113,936/50,220,486**

**=2.23 THIS RATIO MEASURES SOLVENCY AND INDICATE THE EXTENT OF COVER FOR EXTERNAL LIABILITIES IT SHOW THAT THE RATIO OF 2.23 CAN COVER THE COMPANY LIABILITIES WITH 2.23**

**FINANCIAL SECTOR**

**ZENITH BANK**

**SHORT TERM SOLVENCY**

1. **CURRENT RATIO: CURRENT ASSETS/CURRENT LIABILITIES**

**=4995445/4280413**

**=1.16:1 THE CURRENT RATIO OF ABOUT 1.16:1 MEANS THAT THE BUSSINESS WILL NOT BE ABLE TO SETTLE IT SHORT TERM OBILIGATION AS AT WHEN DUE PROVIDED ALL THE CURRENT ASSETS ITEMS (ESPECIALLY INVETORY AN RECEIVABLES) WILL BE REALIZED IN CASH.**

1. **QUICK RATIO= CURRENT ASSETS-INVENTORY/CURRENT LIABILITIES**

**=4995445-0/4280413**

**=1.16:1 QUICK RATIO OF ABOUT 1.61:1 MEANS THAT THE BUSINESS WILL BE ABLE TO SETTLE IT SHORT TERM OBILIGATIONSAS AT WHEN DUE.**

**EFFECIENCY RATIO**

1. **RETURN ON CAPITAL EMPLOYED =PROFIT MARGIN×ASSET TURNOVER**

**=0.25%**

1. **EXPENSES TO SALES=INDIVIDUAL EXPENSES/SALES×100%**

**PERSONNEL EXPENSES: 68556/0×100%**

**=0%**

**INVESTOR RATIO**

1. **EARNINGS PER SHARE=PROFIT AFTER TAX-DIVIDEND /NO OF ORDINARY SHARES**

**=5.27 EARNINGS PER SHARE OF ABOUT 71NAIRA INDICATES THAT ABOUT 5.27NAIRA OF THE CURRENT PERIOD EQUITY EARNING IS ATTRIBUTABLE TO A UNITS OF ORDINARY SHARES IN ISSUE.**

1. **PRICE EARNINGS RATIO =MARKET PRICE PER SHARE/EARNINGS PER SHARE**

**=18.65/5.27**

**=3.54 A PRICE EARNING RATIO OF ABOUT 3.54TIMES REVEALS THAT THE CAPITAL VALUE OF THE BUSINNES’S SHARE IS ABOUT 3.54TIMES HIGHER THAN IT’S CURRENT LEVEL OF EARNINGS.**

1. **EARNINGS YIELD: Earnings per share/ market price per share**

**= 5.27/18.65**

**=0.28 AN EARNINGS YIELD OF ABOUT 0.28 PERCENT MEANS THAT A RETURN OF ABOUT 0.28NAIRA IS DUE ON EVERY ₦1 INVESMENT OF THE ORDINARY SHAREHOLDER’S BASED ON CURRENT PERIOD PERFORMANCE**

1. **NET ASSETS PER SHARE: NET ASSETS-PREFERENCE SHARE CAPITAL /NO.OF ORDINARY SHARES**

**=4955445-0/15698**

**=315.67**

**LONG TERM SOLVENCY RATIO**

1. **GEARING RATIO=DEBT/EQUITY**

**=4280413/675032000**

**=0.06% A GEARING RATIO OF ABOUT 0.06 INDICATES THAT THE BUSSINESS IS LOWLY GEARED SINCE ONLY ABOUT 0.06 IT’S LONG TERM CAPITAL WAS BORROWED**

1. **TOTAL DEBT TO SHAREHOLDER’S FUND =NON CURRENT LIABILITIES +CURRENT LIABILITIES/EQUITY+SHAREHOLDERS’S FUND**

**=4280413+0/675032000**

**=0.06 THIS RATIO MEASURES SOLVENCY AND INDICATE THE EXTENT OF COVER FOR EXTERNAL LIABILITIES IT SHOW THAT THE RATIO OF 0.06 CAN COVER THE COMPANY LIABILITIES WITH 0.06.**

**UNITY BANK**

**SHORT TERM SOLVENCY**

1. **CURRENT RATIO: CURRENT ASSETS/CURRENT LIABILITIES**

**=235976190/479663135**

**=0.49:1 THE CURRENT RATIO OF ABOUT 0.49:1 MEANS THAT THE BUSSINESS WILL NOT BE ABLE TO SETTLE IT SHORT TERM OBILIGATION AS AT WHEN DUE PROVIDED ALL THE CURRENT ASSETS ITEMS (ESPECIALLY INVETORY AN RECEIVABLES) WILL BE REALIZED IN CASH.**

1. **QUICK RATIO= CURRENT ASSETS-INVENTORY/CURRENT LIABILITIES**

**=235976190-0/479663135**

**=0.49:1 QUICK RATIO OF ABOUT 0.49:1 MEANS THAT THE BUSINESS WILL NOT BE ABLE TO SETTLE IT SHORT TERM OBILIGATIONSAS AT WHEN DUE.**

**EFFEICENCY RATIO**

1. **RETURN ON CAPITAL EMPLOYED =PROFIT MARGIN×ASSET TURNOVER**

**=5.21**

**INVESTOR RATIO**

1. **EARNINGS PER SHARE=PROFIT AFTER TAX-DIVIDEND /NO OF ORDINARY SHARES**

**=13.03 EARNINGS PER SHARE OF ABOUT 13.03NAIRA INDICATES THAT ABOUT 13.03NAIRA OF THE CURRENT PERIOD EQUITY EARNING IS ATTRIBUTABLE TO A UNITS OF ORDINARY SHARES IN ISSUE.**

1. **PRICE EARNINGS RATIO =MARKET PRICE PER SHARE/EARNINGS PER SHARE**

**=0.68/13.03**

**=0.05 A PRICE EARNING RATIO OF ABOUT 0.05TIMES REVEALS THAT THE CAPITAL VALUE OF THE BUSINNES’S SHARE IS ABOUT 0.05TIMES HIGHER THAN IT’S CURRENT LEVEL OF EARNINGS.**

1. **EARNINGS YIELD: Earnings per share/ market price per share**

**=13.03/0.68**

**=19.16 AN EARNINGS YIELD OF ABOUT 19.16 PERCENT MEANS THAT A RETURN OF ABOUT 19.16NAIRA IS DUE ON EVERY ₦1 INVESMENT OF THE ORDINARY SHAREHOLDER’S BASED ON CURRENT PERIOD PERFORMANCE**

1. **NET ASSETS PER SHARE: NET ASSETS-PREFERENCE SHARE CAPITAL /NO.OF ORDINARY SHARES**

**=235976190-0/5844669**

**=40.3**

**LONG TERM SOLVENCY RATIO**

1. **GEARING RATIO=DEBT/EQUITY**

**479663155/243686965**

**=1.97 A GEARING RATIO OF ABOUT 1.97 INDICATES THAT THE BUSSINESS IS HIGHLY GEARED SINCE ONLY ABOUT 1.97 IT’S LONG TERM CAPITAL WAS BORROWED**

1. **TOTAL DEBT TO SHAREHOLDER’S FUND =NON CURRENT LIABILITIES +CURRENT LIABILITIES/EQUITY+SHAREHOLDERS’S FUND**

**=479663155+0/243686965**

**=1.97 THIS RATIO MEASURES SOLVENCY AND INDICATE THE EXTENT OF COVER FOR EXTERNAL LIABILITIES IT SHOW THAT THE RATIO OF 1.97 CAN COVER THE COMPANY LIABILITIES WITH 1.97.**