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Course Code: Acc302

Matric no: 17/SMS02/048

Department: Accounting

Accounting Ratios

Name of Companies done;

Berger Nigeria PLC, CAP PLC, Dangote Sugar, Nestle Nigeria, Access Bank, Eco Bank, Fidson Health care, Pharma Deko, Greif Nigeria Plc, Cutix Plc,Mobil Oil, Total Nigeria

Short Term Solvency Ratio	**BERGER NIGERIA PLC 2018**	**CAP PLC 2018**	**COMPARISON**
1. Current Ratio= current assets /current liabilities	= 1,646,124/1,285,038 = 1.28:1	= 5,545,093/3,375,254 = 1.64:1	
2. ACID test ratio= Current Assets- Inventory/Current liabilities	= 1,646,124-606,712/1,285,038 =0.81	= (5,545,093-884,115)/3,375,254 =1.38	
3.Receivables Collection Period= (Average Trade Receivables/credit sales)*365	Average trade receivables= 190,982+175,390/2 =(183,186/3,377,223)*365 = 20days	Average trade receivables= 172,488+110,700/2 =(141,594/7,764,534)*365 = 7days	

4. Payables Payment period= (Average trade payables/credit purchases)*365	Average Trade Payables= 622,491+557,395/2 =(589,943/1,896,862)*365 = 114days	Average Trade Payables =1,559,016+1,130,834/2 =(1,344,925/4,034,561)*365 = 122days	
5. Inventory Turnover Period= (average inventory/cost of sales)*365	Average Inventory= 606,712+574,991/2 =(590,852/1,896,862)*365 = 114days	Average Inventory= 884,115+1,187,405/2 =(1,035,760/4,034,561)*365 = 94days	
6. Receivable Turnover= Credit sales/average receivables	= 3,377,223/183,186 =18times	= 7,764,534/141,594 =55times	
7. Payables Turnover= Credit Purchases/average payables	= 1,896,862/589,943 = 3times	= 4,034,561/1,344,925 = 3times	

8. Inventory Turnover= Cost of Sales/Average Inventory	= 1,896,862/590,852 = 3times	= 4,034,561/1,035,760 = 4times	
Efficiency and profitability ratio			
1. Return on Capital Employed= profit Margin * asset turnover Where profit margin= (profit/sales)* 100% And Asset Turnover= Sales/Capital employed*100%	Profit margin= (320,509/3,377,223)*100% = 9.5% Asset turnover= 3,377,223 / (4,535,299-1,285,038)= =104.0 ROCE= 988	Where profit margin= (profit/sales)* 100% =(2,029,343/7,764,534)*100 = 26.1 And Asset Turnover= Sales/Capital employed*100% = (7,764,534/ (6,311,246-3,375,254))*100 =264.4 ROCE= 26.1*264.4 =6,901	

2. Gross Profit Margin= (Gross Profit/sales)*100%	=(1,480,361/3,377,223)*100 % =43.8	=(3,729,973/7,764,534)*100 % =48.0	
3. Net Profit Margin= (Net Profit/sales)*100%	=(320,509/3,377,223)*100% =9.5	=(2,029,343/7,764,534)*100 % =26.1	
4. Expense Percentage= (Individual expense/total expense)*100%	For selling and distribution expenses= (237,375/1,234,862)*100% = For Admin expenses= (829,609/1,234,862)*100% = For loss on Trade receivables= (14,899/1,234,862)*100%= For finance cost= +(19,160/1,234,862)*100%= For taxation= (133,819/1,234,862)	For selling and distribution expenses= (356,737/2,089,716)*100 = 17.1% For admin expenses= (1,149,872/2,089,716)*100 =55% For finance cost= (14,618/2,089,716)*100 = 0.7% For income expenses= (568,489/2,089,716)*100 =27.2%	

5. Expense to Sales= (individual expense/sales)*100%	For Selling and distribution expenses= (237,375/3,377,223)*100% = For Admin Expenses= (829,609/3,377,223)*100% = For Loss on trade receivables= (14,899/3,377,223)*100* = For finance cost= (19,160/3,377,223)100% = For tax expenses= (133,819/3,377,223)*100% =	For selling and distribution= (356,737/7,764,534)*100% =4.6% For admin expenses= (1,149,872/7,764,534)*100% = 14.8% For finance cost= (14,618/7,764,534)*100% = 0.2% For income tax expenses= (568,489/7,764,534)*100% = 7.3%	
Investors/Shareholder's Ratio			
1. Earnings per Share= (Profit after Tax- Preference Dividend)/ Number of Ordinary Shares Issued	1.11	2.90	

2. The Price Earnings ratio= Market Price Per Share/Earnings Per share	= (7.5/1.11) = 6.8	=(24.3/2.90) = 8.4	
3. Earnings Yield= (Earnings per share/Market Price Per Share)*100%	= (1.11/7.5)*100% = 14.8%	=(2.90/24.3)*100% =11.9%	
4. Net Assets per share= (net assets-preference share capital)/number of Ordinary Shares	Net assets= (4,535,299-1,722,247) = (2,813,052-0)/ 289,823,447) =9.7	Net assets= (6,311,246-3,502,307) = (2,808,939-0)/700,000) = 4.01	

5. <u>Dividend Per Share</u>= (Gross Dividend/Number of Ordinary Shares)*100	= 0.65	= 2.90	
6. <u>Dividend Pay-out ratio</u>= (Dividend per share/Earnings per share)*100	= (0.65/1.11)*100% = 58.6%	= (2.90/2.90)*100% = 100%	
7. <u>Dividend Yield</u>= (Dividend Per Share/Market price per share)*100	= (0.65/7.5)*100% = 8.7%	(2.90/24.3)*100% = 11.9%	
8. <u>Dividend Cover</u>= (Profit After Tax- Preference Dividend)/Gross Dividend	=(320,509-0)/188,385,240.6 =1.7	= (2,029,343-0)/2,030,000 =1.0	

<u>LONG TERM SOLVENCY AND STABILITY RATIOS</u> 1. <u>Gearing Ratio</u>= (Fixed Interest loans+ Preference share capital)/(Ordinary Share Capital+ Reserves)			
2. <u>Fixed Interest cover</u>= Profit before interest and tax/fixed interest			
3. <u>Total Debt to Shareholder's funds</u>= (Noncurrent Liabilities+ Current Liabilities)/Shareholder's funds	= (1,722,247)/2,815,052 = 0.6:1	= (3,502,307)/	
<u>Short Term Solvency Ratio</u>	**<u>DANGOTE SUGAR 2018</u>**	**<u>NESTLE NIGERIA Plc 2018</u>**	**<u>COMPARISON</u>**

1. Current Ratio= current assets /current liabilities	=144,937,739,000/66,033,588,000 = 2.2:1	=82,734,317/92,117,501 = 0.90:1	
2. ACID test ratio= Current Assets- Inventory/Current liabilities	=(144,937,739,000-31,499,654,000)/ 66,033,588,000 = 1.72:1	= (82,734,317-23,124,020)/ 92,117,501 = 0.65:1	
3.Receivables Collection Period= (Average Trade Receivables/credit sales)*365	AVERAGE TRADE RECEIVABLES= ((91,025,731,000+70,895,546,000)/2)) /146,549,176,000)*365 =199 DAYS	Average trade receivables= ((42,175,062+31,430,450)/2))/266,274,621)*365 =50 days	
4. Payables Payment period= (Average trade payables/credit purchases)*365	=((51,428,633,000+71,913,340,000)/2))/		

5. <u>Inventory Turnover Period</u>= (average inventory/cost of sales)*365	=((31,499,654,000+44,779,483,000)/2))/ 104,589,978,000)*365 = 133days	=((23,124,020+23,910,303)/ 2))/ 152,354,445)*365 =56days	
6. <u>Receivable Turnover</u>= Credit sales/average receivables	((146,549,176,000/((91,025,731,000+70,895,546,000)/2 = 2 times	(266,274,621/((42,175,062+31,430,450))/2 = 7times	
7. <u>Payables Turnover</u>= Credit Purchases/average payables			
8. <u>Inventory Turnover</u>= Cost of Sales/Average Inventory	=(146,549,176,000)/((91,025,731,000+70,895,546,000)/2) = 2 times	=(152,354,445/(23,124,020+23,910,303)/2 =6 times	

<u>Efficiency and profitability ratio</u>			
1. <u>Return on Capital Employed</u>= profit Margin * asset turnover Where profit margin= (profit/sales)* 100% And Asset Turnover= Sales/Capital employed*100%	Profit Margin= (37,822,608,000/146,549,176,000)*100% =25.8 Asset turnover=(146,549,176,000/178,523,711,000-66,033,588)*100% =82.1 ROCE=2,118.2	Profit margin= (43,008,026/266,274,621)*100% = 16.2 Asset Turnover= ((266,274,621/(162,334,422-92,117,501))*100% =379.2 ROCE= 6,143.0	
2. <u>Gross Profit Margin</u>= (Gross Profit/sales)*100%	=(41,959,198/146,549,176)*100 =28.6%	= (113,920,176/266,274,621)*100% =42.8%	

3. Net Profit Margin= (Net Profit/sales)*100%	=(25,830,941/146,549,176)/100% = 17.6%	=(43,008,026/266,274,621)100% =16.2%	
4. Expense Percentage= (Individual expense/total expense)*100%	For Selling and Distribution Expenses=(969,000,000/19,098,909,000)*100% =5.07% For Admin expenses= (5,438,193,000/19,098,909,000)*100% =28.5% For finance cost= (67,127,000/19,098,909,000)*100% =0.35% For Income tax= (12,624,589,000/19,098,909,000)*100* = 66.1%	For Marketing and distribution expenses= (43,489,890/72,629,039)*100% =59.9% For admin expenses= (9,789,555/72,629,039)*100% =13.5% For finance costs= (2,606,774/72,629,039)*100% =3.59% For Income tax= (16,742,820/72,629,039)*100% =23.1%	
5. Expense to Sales= (individual expense/sales)*100%	For Selling and distribution=(969,000,000/146,549,176,000)*100% = 0.66% For Admin expenses= (5,438,193,000/146,549,176,	For Marketing and distribution expenses= (43,489,890/266,274,621)*100% =16.3% For Admin expenses=	

	000)*100% =3.71% For Finance cost= (67,127,000/146,549,176,000)*100% =0.05% For Income tax= (12,624,589,000/146,549,176,000)*100% =8.61%	(9,789,555/266,274,621)*100% =3.68% For finance cost= (2,606,774/266,274,621)*100% =0.99% For income tax= (16,742,820/266,274,621)*100% =6.29%	
Investors/Shareholder's Ratio			
1.Earnings per Share= (Profit after Tax- Preference Dividend)/ Number of Ordinary Shares Issued	=2.15	= 54.26	
2. The Price Earnings ratio= Market Price Per Share/Earnings Per share	=(12.75/2.15) = 5.9:1	= (1250/54.26) =23.0:1	

3. Earnings Yield= (Earnings per share/Market Price Per Share)*100%	= (2.15/12.75)*100% = 16.9%	= (54.26/1250)*100% = 4.3%	
4. Net Assets per share= (net assets-preference share capital)/number of Ordinary Shares	Net Assets= (175,116,627-76,141,439) =(98,975,188-0)/12,000,000 = 8.25%	Net assets= (162,334,422-112,113,936) = (50,220,486-0)/792,656 = 63.36	
5. Dividend Per Share= (Gross Dividend/Number of Ordinary Shares)*100	= (132,000/12,000,000)/*100 % = 1.10	=(376,511.6/792656)*100% = 47.50	

6. Dividend Pay-out ratio= (Dividend per share/Earnings per share)*100	= (1.10/1.85)*100% = 59.5%	= (47.50/54.26)*100% =87.5%	
7. Dividend Yield= (Dividend Per Share/Market price per share)*100	= (1.10/12.75)*100% = 8.6	=(47.50/1250)*100% = 3.8	
8. Dividend Cover= (Profit After Tax- Preference Dividend)/Gross Dividend	=(21,976,468-0)/132000 = 167 times	=(43,008,026-0)/376,511.6 = 114times	
LONG TERM SOLVENCY AND STABILITY RATIOS 1. Gearing Ratio= (Fixed Interest loans+ Preference share capital)/(Ordinary Share Capital+ Reserves)			

2. Fixed Interest cover= Profit before interest and tax/fixed interest			
3. Total Debt to Shareholder's funds= (Noncurrent Liabilities+ Current Liabilities)/Shareholder's funds		=(19,996,435+92,117,501)/50,220,486 = 2.2:1	

Short Term Solvency Ratio	**Fidson Health Care PLC** **'000**	**PHARMA DEKO PLC** **'000**	

1. Current Ratio= current assets /current liabilities	= 7,575,483/10,535,885 = 0.72:1	= 510,849/545,790 = 0.9:1	
2. ACID test ratio= Current Assets-Inventory/Current liabilities	= (7,575,483-2,875,133)/10,535,885 = 0.45:1	=(510,849-255,224)/545,790 = 0.5/1	
3.Receivables Collection Period= (Average Trade Receivables/credit sales)*365	Trade receivables= (3,803,982+2,502,642)/2 =(3,153,312/16,229,903)*365 = 71 days	Trade receivables= (169,522+131,763)/2 =(150,642.5/1,023,806)*365 = 54DAYS	
4. Payables Payment period= (Average trade payables/credit purchases)*365			
5. Inventory Turnover Period= (average inventory/cost of sales)*365	Average inventory= (2,875,133+1,756,629)/2 =(2,315,881/9,910,219)*365 =85 days	Average inventory= (255,224,+228,779)/2 =(242,001.5/622,439)*365 =14 days	

6. <u>Receivable Turnover</u>= Credit sales/average receivables	Average Trade receivables= (3,803,982+2,502,642)/2 =16,229,903/3,153,312 = 5.15	Average Trade receivables= ((169,522+131,763)/2 =(1,023,806/150,642.5) = 6.80	
7. <u>Payables Turnover</u>= Credit Purchases/average payables			
8. <u>Inventory Turnover</u>= Cost of Sales/Average Inventory	=(2,875,133+1,756,629)/2 =9,910,219/2,315,881 =4.3	Average inventory= (255,224,+228,779)/2 =(622,439/242,001.5) =2.6	
<u>Efficiency and profitability ratio</u>			
1. <u>Return on Capital Employed</u>= Profit before income tax/Capital employed Capital Employed= Total assets-current liabilities	Capital employed=(20,483,325-10,535,885) = 160,867/9,947,440 = 0.02	Capital employed= (2,323,137-545,790) =(-255,983/177,347) = -1.4	

2. <u>Gross Profit Margin</u>= (Gross Profit/sales)*100%	=(6,319,684/16,229,903)*100% =38.9%	= (401,367/1,023,806)*100% = 39.2%
3. <u>Net Profit Margin</u>= (Net Profit/sales)*100%	= (-97,447/16,229,903)*100% = -0.6%	=(-265,260/1,023,806)*100% = -25.9%
4. <u>Expense Percentage</u>= (Individual expense/total expense)*100%	For Admin Expenses= (2,614,354/6,703,000)*100 = 16.1% For Selling and distribution expenses= (1,905,330/6,703,000)*100% =28.4% For finance costs= (1,925,002/6,703,000)*100% =28.7% For income tax= (258,314/6,703,000)*100% =3.9%	For Selling and distribution and expenses= (92,181/677,857)*100% =13.6% For Admin expenses= (575,461/677,857)*100% =84.9% For finance costs= (938/677,857)*100% =0.14% For income tax= (9,277/677,857)*100% = 1.4%
5. <u>Expense to Sales</u>= (individual expense/sales)*100%	For Admin expenses= (2,614,354/16,229,903)*100% =16.1% For Selling and distribution expenses= (1,905,330/16,229,903)*100% =11.7% For Finance costs=	For selling and distribution expenses= (92,181/1,023,806)*100% = 9% For Admin expenses= (575,461/1,023,806)*100% =56.2% For finance costs=

	(1,925,002/16,229,903)*100% =11.9% For income tax= (258,314/16,229,903)*100% =1.6%	(938/1,023,806)*100% =0.09% For income tax= (9,277/1,023,806)*100% =0.9%
Investors/Shareholder's Ratio		
1.Earnings per Share= (Profit after Tax- Preference Dividend)/ Number of Ordinary Shares Issued	= (0.06)	=0.33
2. The Price Earnings ratio= Market Price Per Share/Earnings Per share	= (3.5/-0.06) = -58.3	=(1.5/0.33) =4.5
3. Earnings Yield= (Earnings per share/Market Price Per Share)*100%	= (-0.06/3.5)*100% = -1.7%	=(0.33/1.5)*100% = 22%

4. Net Assets per share= (net assets-preference share capital)/number of Ordinary Shares	Net Assets= (20,483,325-13,329,544) = (7,153,781-0)/900,000,000) =7.9	Net Assets=(2,323,137-732,781) =(1,590,356-0)/216,931,596) = 7.3	
5. Dividend Per Share= (Gross Dividend/Number of Ordinary Shares)*100	= (135,000,000/900,000,000)*100% = 0.15	= (10,841/216,931,596)*100% = 5.0	
6. Dividend Pay-out ratio= (Dividend per share/Earnings per share)*100	= (0.15/-0.06)*100* = -250	= (5.0/0.33)*100% =1,515	
7. Dividend Yield= (Dividend Per Share/Market price per share)*100	= (0.15/3.5)*100% = 4.3%	= (5.0/1.5)*100% = 33.3%	

8. Dividend Cover= (Profit After Tax-Preference Dividend)/Gross Dividend	=(-97,447-0)/135,000,000 = -7.2times	= (-265,260-0)/10,841 = -24.5times	
LONG TERM SOLVENCY AND STABILITY RATIOS 1. Gearing Ratio= (Fixed Interest loans+ Preference share capital)/(Ordinary Share Capital+ Reserves)			
2. Fixed Interest cover= Profit before interest and tax/fixed interest			
3. Total Debt to Shareholder’s funds= (Noncurrent Liabilities+ Current Liabilities)/Shareholder’s funds			

Short term liquidity ratios	**Access Bank Plc 2018**	**Eco Bank Plc 2018**	
Current ratio=Current Assets/Current liabilities	3,955,872,785/3,527,314,852 =1.12:1	8,191,180,711/7,520,990,240 =1.18:1	
Acid test ratio=current assets- inventory/current liabilities	3,955,872,785─1,681,761,862 /3,527,314,852 =0.64:1	8,191,180,711─2,797,417/7,520,990,240 =1.08:1	
Efficiency/profitability ratios			
ROCE= PBIT/capital employed Capital employed=total asset-current liabilities.	75,248,146/440,799,757 =0.17 3,968,114,609─3,527,314,852 =440,799.757	218,360,082/1.840,272 =1.18 22,492,121─20,651,849 =1840272	

Investors /Shareholder Ratios			
EPS=PAT- Preference dividend/ No of ordinary shares×100%	331kobo	1.06kobo	
Price earnings ratio=MPS/EPS	10.05/331 =0.03days	7.05/1.06 =7days	
Earnings yield =EPS/MPS×100%	331/10.05 =32%	1.06/7.05 =0.15%	
Net asset per share=net asset-preference share/No of ordinary share	3,968,114,609/212,438,802 =18	22,582,196/2,113,957 =10	
Dividend per share =gross dividend /No of ordinary share	25.0kobo	61.5kobo	
Dividend payout ratio=DPS/EPS×100%	25.0/331 =0.07%	61.5/1.06×100% =58%	

Dividend yield=DPS/MPS×100%	25.0/10.05×100% =2%	61.5/7.05×100 =8%
Dividend cover=EPS/DPS	331/25.0 =13times	1.06/61.5 =0.02times
<u>Long Term Solvency Ratios</u>		
Gearing Ratio=debt/ equity	251,251,383/440,799757 =0.56	702,404/1,812,491 =0.38
Fixed interest cover=profit before interest& tax/fixed interest	75,248,146/128,216,746 =0.58	435,977/1,528,410 =0.28
Total debt to shareholder fund= noncurrent liabilities +current liabilities/equity	7,870,360+3,527,314,852/440,799,757 =8.02	275,539+20,651,849/1,812,491 =11.5

Short term/liquidity ratios	**Greif Nigeria PLC 2018** **'000**	**Cutix Plc 2018** **'000**
Current ratio=Current Assets/Current liabilities	=377300/376896 = 1.0:1	= 1,552,918/ 1,112,406 = 1.4:1
Acid test ratio=current assets- inventory/current liabilities	=(377300-63874)/376896 = 0.83:1	$=\frac{1,552,918-1,103,158}{1,112,406}$ $=\frac{449,760}{1,112,406}$ =0.4:1
Receivables Collection Period= (Average Trade Receivables/credit sales)*365	Average Trade receivables= (168938/2) = (84,469/534611)*365 = 58 days	$=\frac{323,792+525,058/2}{5,057,374} \times 365\ days$ $=\frac{424,425}{5,057,374} \times 365\ days$ =31 days

Payables Payment period= (Average trade payables/credit purchases)*365	Average trade payables= (376896/2) =(188,488/649287)*365 = 106 days	$=\frac{315,504+499,300/2}{3,536,685} \times 365\ days$ $=\frac{407,402}{3,536,685} \times 365\ days$ =44 days	
Inventory Turnover Period= (average inventory/cost of sales)*365	= (123000/649287)*365 = 7days	$=\frac{1,103,158+1,317,958/2}{3,536,685} \times 365\ days$ $=\frac{1,210,558}{3,536,685}$ =124 days	
Receivable Turnover= Credit sales/average receivables	Average Trade receivables= (168938/2) = (534611/84,469) = 6.3	$=\frac{5,057,374}{323,792+525,058/2}$ $=\frac{5,057,374}{424,425}$ =12	
Payables Turnover= Credit Purchases/average payables	Average trade payables= (376896/2) = (649287/188488) = 3.4	$=\frac{3,536,685}{315,504+499,300/2}$ $=\frac{3,536,685}{407,402}$ =9	

Inventory Turnover= Cost of Sales/Average Inventory	= (649287/123000) = 5.3	$=\frac{3,536,685}{1,103,158+1,317,958/_2}$ $=\frac{3,536,685}{1,210,558}$ =2.9times	
Efficiency and profitability ratio ROCE= PBIT/capital employed Capital employed=total asset-current liabilities.	= (262589/98835) = 2.7		
Gross Profit Margin= (Gross Profit/sales)*100%	= (114676/534611)*100% = 21.5%	$=\frac{1,520,689}{5,057,374}\times 100$ =30%	
Net Profit Margin= (Net Profit/sales)*100%	= (262589/534611)*100 = 49.1%	$=\frac{440,295}{5,057,374}\times 100$ =8.7%	

<u>Expense Percentage</u>= (Individual expense/total expense)*100%	FOR ADMIN EXPENSES= (150426/158676)*100 = 94.8% FOR SELLING AND DISTRIBUTION EXPENSES= (8250/158,676)*100% = 5.2%	For distribution cost= $\frac{142,212}{755,516} \times 100$ =19% For administration expenses= $\frac{613,304}{755,516} \times 100$ =81%	
<u>Expense to Sales</u>= (individual expense/sales)*100%	FOR ADMINISTRATION EXPENSES= (150426/534611)*100 = 28.1% For Selling and Distribution= (8250/534611)*100% = 1.5%	For distribution cost= $\frac{142,212}{5,057,374} \times 100$ =2.8% For administration expenses=$\frac{613,304}{5,057,374} \times 100$ =12%	
<u>Investors/Shareholder's Ratio</u>			
<u>Earnings per Share</u>= (Profit after Tax-Preference Dividend)/ Number of Ordinary Shares Issued	=(262589)/42460 = 6.16	$=\frac{440,295,000-0}{880,661,022}$ =0.50	

The Price Earnings ratio= Market Price Per Share/Earnings Per share	= 9.1/6.16 = 1.5:1	$=\frac{1.64}{0.50}$ =3.3:1	
Earnings Yield= (Earnings per share/Market Price Per Share)*100%	=(6.16/9.1)*100% = 67.8	$=\frac{0.50}{1.64}$ =0.3	
Net Assets per share= (net assets-preference share capital)/number of Ordinary Shares	= (98835)/42640 = 2.3	$=\frac{1,299,292,000-0}{880,661,022}$ =1.5	
Dividend Per Share= (Gross Dividend/Number of Ordinary Shares)*100	= 0/42640 =0	$=\frac{158,519,000}{880,661,022}$ =0.18	

Dividend Pay-out ratio= (Dividend per share/Earnings per share)*100	= (0/6.16)*100% = 0	$=\frac{0.18}{0.50} \times$ 100 =36
Dividend Yield= (Dividend Per Share/Market price per share)*100	= (0/9.1)*100% = 0	$=\frac{0.18}{1.64} \times 100$ =11
Dividend Cover= (Profit After Tax- Preference Dividend)/Gross Dividend	= (262589-0)/0 =	$=\frac{440,295-0}{158,519}$ =2.8
LONG TERM SOLVENCY AND STABILITY RATIOS		
. Gearing Ratio= (Fixed Interest loans+ Preference share capital)/(Ordinary Share Capital+ Reserves)		$=\frac{(6,337+631,154)+0}{440,331+858,961}$ $=\frac{637,491}{1299292}$ =0.49times
Fixed Interest cover= Profit before interest and tax/fixed interest		$=\frac{799,070}{137,507}$ =5.8

Total Debt to Shareholder’s funds= (Noncurrent Liabilities+ Current Liabilities)/Shareholder’s funds	= (0+376896)/98835 = 3.8	
Short term Solvency and Liquidity Ratio	**MOBIL OIL 2018**	**Total Nigeria**
Current Ratio= Current Asset Current Liability	=₦34,183,632 ₦19,327,761 =1.77	= 89,912,403,000-95,984,054,000 = 0.94
Quick Assets or Acid Test Ratio= Current Asset-Inventory Current Liability	=(34,183,632-17,918,599) ₦19,327,761 = 0.84	=(89,912,403,000 – 30,045,177,000)/ 95,984,054,000 = 0.62
Receivables Collection Period= (Average Trade receivables/credit purchases)*365	= (11,513,890/164,609,535)*365 = 26days	= (52,007,770,000/307,987,896,000) X 365 days = 62 days

<u>Payables Payment period</u>= (Average trade payables/credit purchases)*365	=(8,212,101/148,015,916)*365 = 22 days	= (61,583 ,881,000/273,202,676,000) X 365 days =82 days
<u>Inventory Turnover Period</u>= (average inventory/cost of sales)*365	= (17,918,599/148,015,916)*365 = 44 days	= (28,355,708,500/273,202,676,000) X 365 days = 38 days
<u>Receivable Turnover</u>= Credit sales/average receivables	= 164,609,535/11,513,890 = 14 times	= 307,987,896,000/52,007,770,000 = 6 times
<u>Payables Turnover</u>= Credit Purchases/average payables	= 148,015,916/8,212,101 = 18times	= 273,202,676,000/61,583,881,000 = 4times
<u>Inventory Turnover</u>= Cost of Sales/Average Inventory	= 148,015,916/17,918,599 = 8 times	= 273,202,676,000/28,355,708,500 = 10 times
<u>Efficiency and profitability ratio</u>		

<u>Return on Capital Employed</u>= Profit before income tax/Capital employed Capital Employed= Total assets-current liabilities	= 13,695,459/(70,660,798-19,327,761) = 0.27	= 7,960,893,000/30,730,889,000 = 0.26	
<u>Gross Profit Margin</u>= (Gross Profit/sales)*100%	= (16,583,619/164,609,535)*100% = 10.2%	= 34,785,220,000/307,987,896,000 = 11%	
<u>Net Profit Margin</u>= (Net Profit/sales)*100%	=(9,328,936/164,609,535)*100% = 5.7%		
<u>Expense Percentage</u>= (Individual expense/total expense)*100%	= (6,924,689/11,977,991)*100% = 57.8%		

Expense to Sales= (individual expense/sales)*100%	=(6,924,689/164,609,535)*100% = 4.2%	
Investors/Shareholder's Ratio		
Earnings per Share= (Profit after Tax- Preference Dividend)/ Number of Ordinary Shares Issued	= 9,328,935,000/360,595,261 = 25.87	= 7,960,893,000/339,521,837,000 = 23.45
The Price Earnings ratio= Market Price Per Share/Earnings Per share	= 147.9/25.87 = 5.7	= 97.5/ 23.45 = 4.16
Earnings Yield= (Earnings per share/Market Price Per Share)*100%	= (25.87/147.9)*100% = 17%	= (23.45/97.5) X 100 = 24%

Net Assets per share= (net assets-preference share capital)/number of Ordinary Shares	= (70,660,798- 36,888,023)/360,595 = 93.6		
Dividend Per Share= (Gross Dividend/Number of Ordinary Shares)*100	=(2,974,910,903/360,595,261) = 8.25	= 5,771,871,229/339,521,837 = 17.0	
Dividend Pay-out ratio= (Dividend per share/Earnings per share)*100	= (8.25/25.87)* 100% = 31.9%	=(17.0/23.45) X 100 =72.5%	
Dividend Yield= (Dividend Per Share/Market price per share)*100	= (8.25/147.9)*100% = 5.6%	= (17.0/97.5) X 100 = 17%	
Dividend Cover= (Profit After Tax- Preference Dividend)/Gross Dividend	= (9,328,935,000/2,974,910,903) = 3.14	= 7,960,893,000/5,771,871,229 = 1.38 times	

LONG TERM SOLVENCY AND STABILITY RATIOS			
Gearing Ratio= (Fixed Interest loans+ Preference share capital)/(Ordinary Share Capital+ Reserves)	= 17,560,262/33,772,775 = 0.52		
Total Debt to Shareholder’s funds= (Noncurrent Liabilities+ Current Liabilities)/Shareholder’s funds	= (17,560,262+19,327,761)/33,772,775 = 1.09		

Short Term Solvency Ratio	**Ikeja Hotel PLC 2018** **'000**	**University Press 2018** **'000**
Current Ratio= current assets /current liabilities	= 4,051,588/6,754,209 = 0.60:1	=1,898,822//742,124 = 2.56:1
.ACID test ratio= Current Assets-Inventory/Current liabilities	=(4,051,588-55,333)/6,754,209 = 0.59:1	= (1,898,822-1.231,608)/742,124 = 0.9
Receivables Collection Period= (Average Trade Receivables/credit sales)*365	Trade receivables= (770,333+671,749)/2 =(721,041/7,290,231)*365 = 36 days	= (139,914/1,801,315)*365 = 28 days
Payables Payment period= (Average trade payables/credit purchases)*365		= (26,244/686,515)*365 = 14 days

Inventory Turnover Period= (average inventory/cost of sales)*365	Average inventory =(55,333+266,695)/2 =(161,014/4,670,742)*365 =13 days	=(1,231,698/686,515)*365 = 655 days	
Receivable Turnover= Credit sales/average receivables	Trade receivables= (770,333+671,749)/2 =7,290,231/721,041 = 10.1	= (1,801,315/139,914) = 13 times	
Payables Turnover= Credit Purchases/average payables		=686,515/26,244 = 3 times	
Inventory Turnover= Cost of Sales/Average Inventory	Average Inventory =(55,333+266,695)/2 =4,670,742/161,014 =29	=686,515/1,231,608 = 0.6 times	
Efficiency and profitability ratio			
Return on Capital Employed= Profit before income tax/Capital employed Capital Employed= Total assets-current liabilities	Capital employed= (24,609,110-6,754,209) =(827,273/17,854,901) = 0.05	=0.13	

Gross Profit Margin= (Gross Profit/sales)*100%	=(2,619,489 /7,290,231)*100% =35.9%	=(1,114,800/1,801,315)*100% = 61.9%	
Net Profit Margin= (Net Profit/sales)*100%	=(677,034/7,290,231)*100% = 9.3%	=(4,426,978/71,476,319)*100% = 12%	
Expense Percentage= (Individual expense/total expense)*100%	For sales and marketing expenses= (236,584/2,087,255)*100% =11.3% For Admin expenses= (983,406/2,087,255)*100% =47.1% For finance costs= (717,026/2,087,255)*100% =34.4% For Income tax= (150,239/2,087,255)*100% =7.2%		
Expense to Sales= (individual expense/sales)*100%	For sales and marketing expenses= (236,584/7,290,231)*100% =3.2% For Admin expenses= (983,406/7,290,231)*100% =13.5%		

	For finance costs= (717,026/7,290,231)*100% =9.8% For income tax= (150,239/7,290,231)*100% =2.1%		
<u>Investors/Shareholder's Ratio</u>			
<u>Earnings per Share</u>= (Profit after Tax-Preference Dividend)/ Number of Ordinary Shares Issued	= (677,304-0)/2,078,796 = 0.33	= (207,411-0).431,410 = 0.48	
<u>The Price Earnings ratio</u>= Market Price Per Share/Earnings Per share	=(1.25/0.33) = 3.8	= 1.41/0.48 = 2.9	
<u>Earnings Yield</u>= (Earnings per share/Market Price Per Share)*100%	= (0.33/1.25)*100% = 26.4%	= 0.48/1.41 = 0.34	

Net Assets per share= (net assets-preference share capital)/number of Ordinary Shares	Net Assets= (24,609,110-16,506,171) = (8,102,939-0)/2,078,096) =3.9	= (2,564,003-0)/431,410 = 5.59	
Dividend Per Share= (Gross Dividend/Number of Ordinary Shares)*100	=(16,691/2,078,096)*100% = 0.8%	=43,141/431,410 = 0.99	
Dividend Pay-out ratio= (Dividend per share/Earnings per share)*100	= (0.8/0.33)*100% = 242.4	= (0.99/0.48)*100% = 2.1%	
Dividend Yield= (Dividend Per Share/Market price per share)*100	= (0.8/1.25)*100% = 64%	=(0.99/1.41)*100% = 0.70%	
Dividend Cover= (Profit After Tax- Preference Dividend)/Gross Dividend	=(677,034-0)/16,691 = 40.6	= 4.81	
LONG TERM SOLVENCY AND STABILITY RATIOS			
Gearing Ratio= (Fixed Interest loans+ Preference share capital)/(Ordinary Share		= 848,189/2,564,803 = 0.33	

Capital+ Reserves) Fixed Interest cover= Profit before interest and tax/fixed interest			
Total Debt to Shareholder’s funds= (Noncurrent Liabilities+ Current Liabilities)/Shareholder’s funds			