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MATRIC NO: 17/SMS02/059

ACCOUNTING RATIOS.

1. BASIC MATERIALS: BERGER PAINTS.

THOMAS WYALT.

1. CONSUMER GOODS: NESTLE.

GUINESS.

1. CONSUMER SERVICES; TRANSCORP HOTELS.

CAPITAL HOTELS.

1. FINANCIALS: UBA

ACCES BANK

1. HEALTH CARE: MAY AND BAKER.

GLAXOSMITH.

1. INDUSTRIALS: JULIUS BERGER.

BETA GLASS PLC.

1. OIL AND GAS: TOTAL

CONOIL

1. TECHNOLOGY: CHAMS

ETRANZACT.

1. **BASIC MATERIALS**

BERGER PAINTS

1. Current ratio

= current assets = 1,646,124 = 1.28: 1

Current liabilities 1,285,038

Interpretation: the answer derived indicates a rapid deteriorating ability to pay suppliers.

1. Quick asset ratio

= current asset- inventory = 1,646,124 – 606712 = 0.80:1

Current liabilities 1,285, 038

Interpretation: this implies that the firm may have difficulty meeting current obligations.

1. Receivables collection period

= average trade receivables x365days

Credit sales

183,186 x 365days = 19.8days

3,377,223

Interpretation; this indicates that the company will be able to pay of its obligations, since collecting receivables will be relatively short.

1. Payables payment period

= average trade payables x 365days

Credit purchases

589,943 x 365days = 111.6days

1,928,583

Interpretation: the longer it takes to pay his creditors. The more cash is retained din the business, in this case the period is longer.

1. Inventory turnover period

= average inventory x 365days

Cost of sales

590,852 x 365days = 113.7days

1,896,862

Interpretation: this implies that at least the firm restocks every 114days.

1. Receivables turnover

= Credit sales

Average receivables

= 3,377,223 = 18.4times

183,186

Interpretation: this indicates that the no of times trade receivables are turnover during the reporting period.it favors the firm because it is high.

1. Payables turnover

= credit purchases

Average trade payables

= 1, 928,583 = 3.3times

589,943

Interpretation: the payable turnover period is low so it is good.

1. Inventory turnover

= cost of sales

Average inventory

= 1,896,862= 3.2

590,852

1. Return on capital employed

Profit

Capital employed

= 454,328 = 0.13

3,250,261

Interpretation: this ratio shows that the company is more efficient than profitable.

1. Gross profit percentage

Gross profit x 100

Sales

1,480,361 x 100

3,377,223 = 43.8%

Interpretation: the gross profit percentage is good, the company did well in managing its cost of sales.

1. Net profit percentage

Net profit x 100

Sales

320,509 x 100

3,377,223 = 9.4%

Interpretation: the net profit percentage is low.

1. Expenses percentage

Individual expenses x 100

Total expenses

Selling and distribution expenses: 237,375 x 100 = 22.4%

1,066,984

Administrative expenses: 829,609 x 100 = 77.75

1,066,984

Interpretation: the selling and distribution expenses has a lesser Wight on expenses than administrative expenses.

1. Expenses to sales

Individual expenses x 100

Sales

Selling and distribution expenses: 237,375 x 100 = 7.03%

3,377,223

Administrative expenses: 829,609 x 100 = 24.56%

3,377,223

Interpretation: this ratio increased as a result of sales so there is an improvement in profit.

1. Gearing ratio

Debt = 1,722,247 = 0.61

Equity 2,813,052

Interpretation: the company is low geared because it has more equity capital

1. Total debt to shareholders’ fund

Noncurrent liabilities + current liabilities

Equity

= 437,209 + 1,285,038 = 0.61: 1

2,813,052

**Thomas Wyatt 2018**

1. Current ratio

= current assets = 26,194,088 = 0.12:1

Current liabilities 215,678,121

Interpretation: the current ratio is low; the firm might have difficulty paying its maturing debt obligation.

1. Quick asset ratio

= current asset- inventory = 26,194,088 – 4,435,797 = 0.10: 1

Current liabilities 215,678,121

Interpretation: this indicates that all current assets except inventories will generate cash to pay only 10percent of its maturing debt obligations.

1. Receivables collection period

= Average trade receivables x 365days

Credit sales

68,435,545 x 365days = 289.2days

86,359,615

Interpretation: this means that the firm extends a lot of credit to other firms.

1. Payables payment period

=Average trade payables x 365days

Credit purchases

197,388,891 x 365days = 937days

76, 840,284

Interpretation: this indicates that the firm takes 937 days to make payment for goods and services after they are purchased.

1. Inventory turnover period

= average inventory x 365days

Cost of sales

8,615,210 x 365day = 36.9days.

85,199,110

Interpretation: this shows that the inventory stays for at least 36.9 days before being sold.

1. Receivables turnover

Credit sales = 86,359,615 = 1.26times

Average receivables 68,435,545

Interpretation: the number of times trade receivable are turned over is low.

1. Payables turnover

Credit purchases = 76, 840, 284 = 0.4times

Average trade payables 197,388,891

Interpretation: this shows that the payables are turned over 0.4times which is lower, the lower the better.

1. Inventory turnover

Cost of sales = 85,199,110 = 9.89

Average inventory 8,615,210

Interpretation: the inventory turnover is 9.89

1. Return on capital employed

= profit = -98,529,502 = -0.45

Capital employed 216,700,353

Interpretation: this implies that the company is more efficient than profitable.

1. Gross profit percentage

Gross profit x 100

Sales

1,160,505 x 100

86,359,615 = 1.34%

1. Net profit margin

Net loss x 100 =

Sales -98,529,502 x 100

86,359,615 = -114.09%

INTERPRETATION; the business has a relative profitability over sales.

1. Expense percentage

Individual expenses x 100

Total expenses

Administrative expenses = 47,544,815 x 100 = 95.08%

50,006,285

Distribution expenses= 2,461,470 x 100 = 4.92%

50,006,285

Interpretation: this shows that there is a relative weight of each item in relation to total expenses. Admin expenses has weight on the expenses compared to distribution expenses.

1. Expenses to sales

Individual expenses x 100

Sales

Administrative expenses = 47,544,815 x 100 = 2.85%

86,359,614

Distribution expenses = 2,461,470 x 100 = 2.85%

86,359,615

Interpretation: this shows that there is an improvement in the net profit to sales percentage.

1. Earnings per share

Profit after tax

No of ordinary shares issued

=98,529,502 = 0.04

220,000,000

This shows potential return of 0.04 on the shareholders’ investment

1. Price earnings ratio

Market price per share

Earnings per share

= 0.50 = 12.5

0.04

This is shows that throughout a year period the price earning is 12.5

1. Earnings yield

Earnings per share

Market price per share

= 0.04

0.50

= 0.08 x 100 = 8%

1. Gearing ratio

Debt

Equity

= 265,000,000 = 0.92

286,260,766

The company is said to be low geared.

1. Total debt to shareholders’ fund

Non-current liabilities + current liabilities

Equity

= 718,639,240 = -2.51

-286,260,766

CONSUMER GOODS (NIGERIA BREWERIES)

1.Short term solvency ratio

1. Current ratio = Current assets

Current liabilities

=86,284,102

134,695,925

= 0.62:1

Interpretations: since the current ratio is low, this indicates that the business may be unable to pay/meet its short-term obligations

1. Quick asset ratio = Current asset-labilities

Current liabilities

=86,284,102-32,506,324

139,695,428

=0.38:1

Interpretations: this indicates that the business may be unable to pay/meet its short-term obligations or liabilities.

1. Receivable collection period = Trade receivables × 365days

Credit sales

=35,153,451 × 365days

324,388,500

the number of times trade receivable are turned over is average and reasonable.

=39.5days

1. Payable payment period = Average trade payable × 365days

Credit purchase

=114,151,861 ×365

197,484,694

=260.8days

The payable payment period is high and it is good as it will increase their working capital and cash flow.

1. Inventory turnover = Average inventory × 365days

Cost of sales

= 32,506,824 × 365

197,484,692

=60.0days

The inventory turnover period is high. the inventory stays for at least 6o days before being sold

1. Receivable turnover = Credit sales

Average receivable

= 324,388,500

85,153,451

=92times.

This is very good, as receivables pay at least 92 times.

1. Payable turnover = Credit payable

Average payable

= 197,434,694

114,151,861

=1.7times

Interpretation: this shows that the payables are turned over 1.7times which is lower, the lower the better.

1. Inventory turnover = Cost of sales

Average inventory

= 197,484,697

32,506,824

=6.0times

Inventory sis bought at least 6.0 times

2. Efficiency ratio

1. Gross profit margin = Gross profit × 100

Sales

=126,903,806 × 100

324,388,500

39.1%

1. Net profit margin = Net profit × 100

Sales

=19,437,944 ×100

324,388,500

= 5.9%

Interpretation I; the business has a relative profitability over sales.

1. Expenses percentage = Individual expenses × 100

Total expenses

Marketing &dist. expenses = 70,052,363 × 100

40,837,616

= 71.1%

Administrative expenses = 20,785,259 × 100

40,837,616

=22.8%

Interpretation: the marketing d distribution expenses has more weight on total expenses than administrative expenses.

1. Expenses to sales = Individual expenses × 100

Sales

Marketing &dist. expenses = 70,052,363 × 100

324,388,500

= 21.5%

Admin expenses = 20,785,259 × 100

324,388,500

= 6.4%

This indicates that there is an improvement on profit.

3. Investors/shareholders ratio

1. Earnings per share = PAT – Preference dividend

Ordinary share

= 19,437,987-8,854,153 = 50.8kobo

208,265

1. Price earnings ratio = Market price per share

Earnings per share

50.5 = 20.7times

243

1. Earnings yield = Earnings per share

Market price per share

= 243

50.5

=481.1

1. Net asset per share = 388,262,869

208,263

=1684.3

1. Dividend per share = Gross dividend

No of ordinary share

= 29,828,447

208,263

= 143.2

1. Dividend yield = DPS × 100

MPS

= 143.2 × 100

50.5

=283.5

1. Dividend ratio = PAT - dividend

Gross dividend

= 19,437,944 – 8,851,153

29,323,444

= 19,437,943

CONSUMER GOODS(NESTLE)

1.Short-term solvency & liquidity ratio

1. Current ratio/ working capital ratio = Current assets

Current liabilities

=82,734,317

92,117,501

= 0.9:1

Interpretations: since the current ratio is low, this indicates that the business may be unable to pay/meet its short-term obligations

1. Quick asset or Acid test ratio = Current assets – inventory

Current liabilities

= 82,734,317 -23,124,020

92,117,501

= 0.65:1

Interpretations: this indicates that the business may be unable to pay/meet its short-term obligations

1. Receivables collection period = Average trade receivables × 365

Credit sales

= 42,175,062

266,274,621

= 57.8days

1. Payables payment period = Average trade payable × 365

Credit purchases

= 60,384,454

152,354,445

=144.7days

1. Inventory turnover period = Average inventory × 365

Cost of sales

= 23,124,020

152,357,445

=55.4days

1. Receivable turnover = Credit sales

Average receivables

= 266,274,621

42,175,062

=6.3times

1. Payables turnover = Credit purchases

Average trade payable

=152,354,445

60,384454

= 2.5times

1. Inventory turnover = Cost of sales

Average inventory

= 152,354,445

23,124,020

=6.58

2.Efficiency /profitability ratio

I. Return on capital employed= profit(Return) × 100

Capital employed

= 59,750,846

162,334,442-92,117,501

= 59,750,846

70,216,921

= 0.9 = 9%

ii. Gross profit percentage = Gross profit × 100

Sales

= 113,920,176

266,274,621

=42.8%

1. Net profit percentage = Net profit × 100

Sales

=43,008,026

266,274,621

= 16.2%

1. Expenses percentage = Individual expenses × 100

Total expenses

Marketing distribution expenses = 43,489,890

43,489,890+9,789,555

= 43,489,890

53,277,945

= 81.6%

Admin expenses = 9,789,555

43,489,890+9,789,555

= 9,789,555

53,279,445

=18.4%

1. Expenses to sales = Individual expenses × 100

Sales

Marketing & distribution expenses = 43,489,890

266,274,621

=16.3%

Admin expenses = 9,789,555

266,274,621

= 3.7%

3. Investors/ shareholders ratio

1. Earnings per share: 54.26
2. Net asset per share = Net asset

=70,216,921

796,656,952

=63.36

4. Long term solvency

CONSUMER SERVICES: TRANSCORP HOTELS

1.Short-term solvency & liquidity ratio

1. Current ratio/ working capital ratio

=

=

= 0.3:1

Interpretation: since the current ratio is low, this indicates that the business may be unable to pay/meet its short-term obligations.

1. Quick assets/ Acid test ratio

=

=

=0.3:1

Interpretation: this indicates that the business cannot fully pay back its short-term obligations

1. Receivables collection period

=×365days

=×365

=43.2

1. Payables payout period

=×365days

=×365

=64.7

1. Inventory turnover period

=×365days

=×365

=46.15

1. Receivable turnover

=

=

=8.5

1. Payable turnover

=

=

=0.56

1. Inventory turnover

=

=

=7.9

2.Efficiency/profitability ratio

1. Return on capital employed

=

Capital employed=TA-CL

=57,461,507-4,883,332

=37,576,185

Profit= 5,029,391

=×100

=13.38%

1. Gross profit percentage

=×100

=×100

=73.97%

1. Net profit percentage

=×100

=×100

=21.3%

1. Expenses percentage

=

Admin expenses = ×100= 86.4%

Income tax expenses= ×100= 13.61

1. Expenses to sales

= ×100

Admin expenses = ×100 =

Income tax =×100 = 7.6%

3. Investors/ shareholders ratio

1. Earnings per share

= PAT

Number of ordinary shares earned

= 3,713,696

3,800,202

= 49

4. Long term solvency and liquidity ratio

1. Total debt to shareholder’s funds

= Non-current liabilities Current liabilities

Equity/shareholders

= 53,816,377

57,638,000

=0.9

CAPITAL HOTELS PLC

1.Short term solvency and liquidity ratio

1. Current ratio or working capital ratio

=Current assets

Current liabilities

=5,698,285

2,630,478

=2.17:1

Interpretation: since the current ratio is high, this indicates that the business will be able to pay/meet its short-term obligations

1. Quick assets or acid test ratio

=Current assets-inventory

Current liabilities

=5,698,295-141,990

2,630,478 = 2.11:1

Interpretation: this is a normal quick ratio; this indicates that the business can instantly get rid of its current liabilities.

1. Receivables collection period

= Average trade receivable ×365days

Credit sales

=1,620,077 × 365

5977,436

=98.9days

1. Payables payment period

=Average trade payable × 365days

Credit purchase

= 2,378,096 × 365

4,869,732

=178.2days

1. Inventory turnover

= Average inventory × 365days

Cost of sales

= 141,990 × 365

4,869,732

=10.6days

1. Receivable turnover

= Credit sales

Average receivable

= 5,977,436

1,620,077

= 3.69

1. Payable turnover

= Credit purchase

Average trade payable

=4,869,732

2,378,096

=2.0

1. Inventory turnover

= Cost of sales

Average inventory

=4,869,732

141,990

=34.3

2. Efficiency/profitability ratio

1. Return on capital employed = Profit before tax × 100

Capital employed

= 437,010

10,076,819-2,630,478

= 437,010 × 100

7,446,341

= 5.87%

1. Gross profit percentage

= Gross profit × 100

Sales

= 1,107,704 × 100

5,977,436

=18.5%

1. Net profit percentage

= Net profit × 100

Sales

= 379,946 × 100 = 6.36

5,977,436

1. Expenses percentage = Individual expenses × 100

Total expenses

Admin expenses = 721,477 ×100

721,477+127,835

=721,477 × 100 = 84.95%

849,282

Income tax expense = 127,835 × 100

721,477+127,835

= 127,835 × 100

849,282

= 15.05%

1. Expenses to sales = Individual expenses × 100

Sales

Admin expenses = 721,477 × 100 = 12.07%

5,977,436

Income tax expenses =127,835 × 100 = 2.14%

5,977,436

3. Investors / shareholders ratio

1. Earnings per share= PAT-Preference dividends

No of ordinary share issued

= 25k

1. Net Asset per share= 697k

HEALTH CARE (GLAXO SMITHKLINE CONSUMER NIGERIA PLC)

1.Short term solvency and liquidity ratio

1. Current ratio / working capital ratio

=

=

=1.97:1

1. Quick assets or acid test ratio

=

=

=

=1.39:1

1. Receivable collection period

=×365days

=×365

=113.8times

1. Payable payment period

=×365days

=×365

=195.6times

1. Inventory turnover period

=×365days

=×365days

=123.4times

1. Receivable turnover

=

=

= 3.21

1. Payable turnover

=

=

= 1.87

1. Inventory turnover

=

= = 2.97

2.Efficiency / Profitability ratio

1. Return on capital employed

=

=×100

=0.13

1. Gross profit percentage

=×100

=×100

=36.7

1. Net profit percentage

=×100

= ×100

=3.35

1. Expenses percentage

=×100

Sales and distribution=

=×100

=

Admin expenses=×100

=×100

=

1. Expenses to sale

=×100

= ×100

=×100 = 16.8

=×100

=×100

=12.2

3. Investors ratio

1. Price earnings ratio

=

=

=1.22times/year

1. Earnings yield

=×100

=×100

=82.2

1. Dividend per share

=

=

=0.88

1. Dividend payout ratio

=×100

=×100

=118.9

1. Dividend yield

=×100

=×100

=97.7

4. Long term solvency ratio

1. Gearing ratio

=

=

=5.89

1. Total debt to shareholder’s funds

=

=

=14.8

MM & Baker Nigeria Plc

1.Short-term solvency and liquidity ratio

1. Current ratio/working capital

=

=

=2.57

1. Quick Assets or acid test ratio

=

=

=

=2.17

1. Receivable collection period

=×365days

=×365

=101

1. Payables payment

=×365

=×365

= 87.08

1. Inventory turnover period

=×365

=×365

=103.95

1. Receivable turnover

=

=

=3.61

1. Payable turnover

=

=

=4.19

1. Inventory turnover

=

=

=3.5

2. Efficiency / profitability ratio

1. Return on capital employed

=

=

=

=0.15×100

=15

1. Gross profit percentage/gross margin

= ×100

=×100

=36.47

1. Net profit margin

=×100

=×100

=0.9

1. Expenses percentage =×100

Distribution, sales and marketing expense= ×100

=×100

=66.1

Admin expenses= ×100

=×100

=33.894

1. Expenses to sale =×100

Distribution &marketing expenses=×100

=17.8

Admin expenses = ×100

=9.14

1. Investors ratio
2. Price earnings ratio= MPPS

EPS

=2.16

0.38

=5.68times

1. Earnings yield = EPS × 100

MPS

=0.38 × 100

2.16

=17.59%

1. Dividend per share = Gross dividend

Number of ordinary share

=196,000

980,000

=0.2

1. Dividend payment ratio = DPS × 100

EPS

=0.2 × 100

0.38

= 52.63%

1. Dividend yield = DPS × 100

MPS

=0.2× 100

2.16

=9.6%

4.Long term solvency ratio

1. Total debt to shareholder’s fund = Non-current liabilities current liabilities

Equity

= 4,427,555

3,708,011

=1.19

INDUSTRIALS

1.Short term solvency &liquidity ratio

1. Current ratio/working capital ratio = Current asset

Current liabilities

28,550,830

13,723,312

2.1:1

1. Quick Assets or Acid test ratio = Current asset – inventory

Current liabilities

= 28,550,830-6,237,740

13,723,312

= 1.763:1

1. Receivables collection period = Average trade receivables × 365

Credit sales

= 13,438,292 × 365

2,632,104

= 186.4days

1. Payables payment period =Average trade payable × 365

Credit purchases

= 11,598,037 × 365

19,940,375

= 213days

1. Inventory turnover period = Average inventory × 365

Cost of sales

=6,239,740 × 365

19,940,3785

= 114.2days

1. Receivable turnover = Credit sales

Average receivables

= 26,321,014

13,438,292

=1.96times

1. Payable turnover = Credit purchases

Average trade payable

= 19,940,375 = 1.7times

11,598,037

1. Inventory turnover = Cost of sales

Average inventory

= 19,940,375 = 3.2

6,239,740

2. Efficiency/profitability ratio

1. Return on capital employed = Profit before tax

Capital employed

= 7,188,181

46,079,629-13,723,312

= 7,188,181

32,356,317

= 22.2

1. Gross profit percentage = Gross profit percentage × 100

Sales

= 6,380,639 × 100

26,321,014

= 24.2%

1. Net profit percentage = Net profit × 100

Sales

= 5,052,805 × 100

26,321,014

= 19.2%

1. Expenses percentage = Individual expenses × 100

Total expenses

Selling and distribution expenses = 81,161 × 100

81,161+1,245,189

= 81,161 × 100

1,326,350

= 61%

Administrative expenses = 1,245,189 × 100

81,161+1,245,189

= 1,245,189 × 100

1,326,350

=93.8%

1. Expenses to sales = Individual expenses × 100

Sales

Selling & distribution expenses = 81,161 × 100

26,321,014

= 0.3%

Administrative expenses = 1,245,189 × 100

26,321,014

=4.7%

3. Investors/shareholders ratio

1. Earnings per share = 10.11K
2. Dividend per share = 130K
3. Dividend payout ratio = 13%
4. Net Asset per share = 59.26

4. Total debt to shareholder’s funds

= Non-current liabilities Current liabilities

Equity

= 16,452,056

29,627,573

= 0.56

TECHNOLOGY

CHAMS

1.Short term solvency and liquidity ratio

1. Working capital/Current ratio

Formula=

Current Assets = 1,755,358

Current Liabilities=3,560,159

Ratio =0.49:1

Interpretations: since the current ratio is low, this indicates that the business may be unable to pay/meet its short-term obligations

1. Quick assets or Acid test ratio

Formula=

Current Assets=1,755,358

Current Liability=3,560,169

Inventory=247,780

=0.42:1

Interpretations: this ratio is not ideal because it is not financially healthy; the company may not be able to fully pay off its current liabilities in the short-term.

1. Receivables collection period

Credit sales=3,012,513

×365days

=169days

1. Payable payment period

Credit purchases=2,226,979

=513.5

1. Inventory turnover period/ number of days’ inventory

×365

=40.6days

1. Receivable turnover

=

=2.2 days

1. Payables turnover=

=

=0.7

1. Inventory turnover

=

Cost of sales=2,226,979

=

=8.99

2. EFFICIENCY/ PROFITABILITY RATIO

1. Return on capital employed =

=301,614 =0.18

1,694,813

1. Gross profit percentage / Gross margin

=× 100

Gross profit = ×100

=26.1

1. Net profit percentage/Net profit margin

×100

Net profit = 951,217

Sales = 3,012,513

= ×100

=31.6

3.INVESTORS/SHARE HOLDERS RATIO

1. Earnings per share

=

=×100

=16.19

1. Net asset per share

=

=

=13.23

4.LONG TERM SOLVENCY AND STABILITY RATIO

1. Gearing ratio

=

Fixed interest =436,241

Equity =2,089,482

=

=0.21

1. Fixed interest ratio

=

=

= 0.69

1. Total debt

=

=

=2.18

ETRANZACT

1.SHORT-TERM SOLVENCY AND LIQUIDITY RATIOS

1. Current ratio/working capital ratio

=

=

=0.73:1

Interpretation: the current ratio is low; the firm might have difficulty paying its maturing debt obligation.

1. Quick assets or Acid test ratio

=

=0.66:1

Interpretation: the current ratio is low; the firm cannot fully pay back its current liabilities.

1. Receivables collection period

=×365days

= ×365days

=21.1days

1. Payable Payment Period

=×365days

Credit purchases = 16,997,019

=×365days

=119.5days

1. Inventory turnover

=×365days

Cost of sales = 16,997,019

=×365days

=8.6days

1. Receivables turnover

=

Credit sales = 18,621,653

=

=17.32 times

1. Payables turnover

=

Credit purchases = 16,979,019

=3.05times

1. Inventory turnover

=

Cost of sales = 16,997,019

=

=42.38

2. EFFICIENCY/PROFITABILITY RATIO

1. Return on capital employed=

Profit margin =×100

=×100 = 16.8

Asset turnover = ×100

= ×100 = 55.31

ROCE = Profit margin × asset turnover

Capital employed = CL-TA

= 5,630,715 – 5,967,399

=336,684

ROCE = 16.8 × 55.31

= 929.1

1. Gross profit percentage

= ×100

=×100

=8.72

1. Net profit percentage

= ×100

=×100

=16.84

3. Investors/shareholders ratio

1. Earnings per share

=

=

=0.75

4, Long term solvency ratio

I. Price Earnings Ratio; Market price per share.

Earnings per share

=4,200,000-2,100,000 \*0.5 =1,050,000

=1,050,000. =14,000

75

1. Earnings Yield = Earnings per share.

Market price per share

= 75.

1,050,000 =0,07

1. Net asset per share=0,038
2. Dividend per share = gross dividend.

No of ordinary shares

=420,000. =0.1

4,200.000

OIL AND GAS (CONOIL)

1.Short-term solvency and liquidity ratio

1. Current ratio/ working capital ratio

=

=

=1.32:1

Interpretation: the firm is capable of paying its short term obligation, it is a high current ratio.

1. Quick asset/Acid test ratio

=

=

=1.1:1

Interpretation: this is a normal quick ratio; the firm can easily get rid of its current liabilities.

1. Receivables collection period

=×365days

Credit sales = 122,213,014

=×365days

=90.48days

1. Payables payment period

=×365days

Credit purchases = 109,442,111

=×365days

=117days

1. Inventory turnover period

=

Cost of sales = 109,442,111

=\*365

=30.49days

1. Receivable turnover period

=

=

=4.03 times

1. Payables turnover

=

Credit purchases = 109,442,111

=

= 3.12 times

1. Inventory turnover

=

Cost of sales = 109,442,111

=

= 11.97times

2. EFFICIENCY/PROFITABILITY RATIO

1. Return on capital employed

=

Profit margin = ×100

=×100 = 1.47

Asset turnover = ×100

=×100

=6.35

Capital employed = TA – CL

=60,897,246 – 41,641,699

=19,255,547

Return on capital employed = Profit margin × Asset turnover

=1.47×6.35

=9.33

1. Gross profit percentage

=×100

=×100

=10.45

1. Net profit percentage

=×100

=×100

=1.47

1. Expenses percentage

=×100

Distribution expenses =

=

=

=0.25

Admin expenses =

=

=

=0.60

Finance costs =

=

= 0.15

3. Investors/shareholders ratios

1. Earnings per share

=

=

=1.17

1. The price earnings ratio

=

=0.50×Number of shares outstanding

Outstanding = 693,952,117-346,976

=0.50×693,605,141

=346,802,571

=

=1,339,006

1. Earnings yield

=

=

=0.05

TOTAL NIGERIA PLC

1.Short term solvency and liquidity ratio

1. Current ratio/Working capital ratio

=

=

=0.93:1

Interpretation: the current ratio is low; the firm might have difficulty paying its maturing debt obligation.

1. Quick assets/Acid test ratio

=

=

=0.62:1

Interpretation: this implies that the firm cannot fully pay back its current liabilities.

1. Receivables collective period

=×365days

=×365days

=61.6days

The receivables collection period is high which gives the company an average of 61.6 days to pay their debt.

1. Payables payment period

=×365days

=×365

=82.58days

Interpretation: this indicates that the firm takes 82.58 days to make payment for goods and services after they are purchased

1. Inventory turnover period

=×365days

=×365

=40.3days

1. Receivable turnover

=

=

=5.92

1. Payables turnover

=

=

=5.0

1. Inventory turnover

=

=

= 9.06

2.EFFICIENCY /PROFITABILITY RATIO

1. Return on capital employed

=

Capital employed = Total asset – Current liabilities

=132,520,783 – 95,984,057

=36,536,729

Profit = 7,960,893

=

= 0.22

1. Gross profit percentage

=×100

=×100

= 11.29

1. Net profit percentage

=×100

=×100

= 2.58

3. Investors/shareholders ratios

I. earnings per share =23.35k

iii. dividend cover: 1.38times

1. dividend per share; 17.0k