NAME: SALAMI IDIAT BOLATITO

MATRIC NO: 17/SMS02/057

TITLE OF TERM PAPER: ACCOUNTING RATIOS

NAME OF COMPANIES

**BASIC MATERIALS**:

Portland paints

BOC gases

**CONSUMER GOODS**

Nigeria breweries

Guinness Nigeria

**HEALTH CARE**

Glaxo smith

May and baker

**FINANCIALS**

UBA

Fidelity Bank

**TELECOMMUNICATION AND TECHNOLOGY**

Omatek venrtures

Chams

**CONSUMER SERVICES**

Capital hotel

ABC transport

**INDUSTRIALS**

Julius Berger

Beta Glass

**OIL AND GAS**

Mobil

Oando

* **BASIC MATERIALS**

|  |  |  |
| --- | --- | --- |
| RATIOS | PORTLAND PAINTS | BOC GASES |
| **Current ratio**  Both of them will be able to settle its current liabilities because they both have the ideal ratio. |  |  |
| **Quick asset ratio**  Portland paint Can get their cash converted quickly because they have the ideal ratio. |  |  |
| **Receivable recollection period**  BOC gases will receive their receivable earlier. |  |  |
| **Payables collection period**  Portland paint will be able to settle their payables earlier than BOC gases |  |  |
| **Inventory turnover period**  BOC gases will sell their inventory earlier. |  |  |
| **Receivables turnover**  Portland paints will be able to turnover their receivable better than BOC Gases. |  |  |
| **Payables turnover**  BOC gases will turnover better than Portland paints. |  |  |
| **Inventory turnover**  Portland paints will turnover their inventory better than BOC gases. |  |  |
| **ROCE**  BOC gases is more efficient than Portland paints. |  |  |
| **Gross profit % or gross margin**  BOC gases has a higher rate of gross profit. |  |  |
| **Net Profit Percentage**  BOC gases has a higher net profit |  |  |
| **Expenses to percentage**  Selling and distribution  Administration  Portland have higher expense rate. |  |  |
| **Expenses to sales**  Selling and distribution  Administration  BOC gases has higher expense to sales percentage. |  |  |
| Price earnings ratio  BOC gases will earn faster than Portland paint. |  |  |

* **CONSUMER GOODS**

|  |  |  |
| --- | --- | --- |
| **Ratios** | **Nigerian breweries** | **Guinness Nigeria** |
| **Current ratio**  Guinness Nigeria will be able to settle its current liabilities faster than Nigerian breweries.. |  |  |
| **Quick asset ratio**  Guinness Nigeria Can get their cash converted quickly because they have the ideal ratio. |  |  |
| **Receivable recollection period**  Nigerian breweries gases will receive their receivable earlier. |  |  |
| **Payables collection period**  Guinness Nigeria will be able to settle their payables earlier. |  |  |
| **Inventory turnover period**  Nigerian breweries will sell their inventory earlier. |  |  |
| **Receivables turnover**  Guinness Nigeria will be able to turnover their receivable better than Nigerian breweries. |  |  |
| **Payables turnover**  Nigerian breweries will turnover better. |  |  |
| **Inventory turnover**  Guinness Nigeria will turnover their inventory better. |  |  |
| **ROCE**  They both have the same efficiency rate. |  |  |
| **Gross profit % or gross margin**  Nigerian breweries have a higher rate of gross profit. |  |  |
| **Net Profit Percentage**  Nigerian breweries have highest net profit between the two of them. |  |  |
| (**Expenses percentage)**  Marketing and distribution  Administrative expenses  They both have the same weight to expense percentage |  |  |
| (**Expenses to sale)**  Marketing and distribution expenses  Administrative expenses  Nigerian breweries have the highest weight of expense to sale. |  |  |
| **Earnings /share**  This ratio shows that Guinness Nigeria has lower earnings per share. |  |  |
| **Price earnings ratio**  Nigerian breweries have higher rate of earning ratio. |  |  |
| **Earning yield**  Guinness Nigeria has a higher potential return on the share holders investment |  |  |

* **HEALTH CARE SECTOR**

|  |  |  |
| --- | --- | --- |
| **Ratios** | **Glaxo Smith Kline (GSK)** | **May and Baker** |
| **Current ratio**  Glaxo smith kline will be able to settle its current liabilities because they have the ideal ratio. |  |  |
| **Quick asset ratio**  GSK Can get their cash converted quickly because they have the ideal ratio. |  |  |
| **Receivable recollection period**  M&B will receive their receivable earlier. |  |  |
| **Payables collection period**  M&B will be able to settle their payables earlier. |  |  |
| **Inventory turnover period**  M&B will sell their inventory earlier. |  |  |
| **Receivables turnover**  GSK will be able to turnover their receivable better than M&B. |  |  |
| **Payables turnover**  M&B will turnover better than GSK.. |  |  |
| **Inventory turnover**  M&B will turnover their inventory better than GSK. |  |  |
| **ROCE**  BOC gases is more efficient than Portland paints. |  |  |
| **Gross profit % or gross margin**  GSK has a higher rate of gross profit. |  |  |
| **Net Profit Percentage**  GSK has higher net profit percentage. |  |  |
| **(Expenses percentage)**  selling and distribution  Administrative expenses  They both have approximately the same expense percentage rate. |  |  |
| **(Expenses to sale)**  selling expenses  Administrative expenses  GSK have the highest expenses to sale. |  |  |
| **Price earnings ratio**  M&B has more price earning ratio. |  |  |
| **Earning yield**  GSK has higher potential returns. |  |  |

* **FINANCIAL SECTOR**

|  |  |  |
| --- | --- | --- |
| **RATIO** | **UNITED BANK FOR AFRICA** | **ZENITH BANK** |
| **ROCE**  Zenith bank made more profit than UBA |  |  |
| **Earnings per share**  Zenith bank made more profit after tax has been distributed to each ordinary share in issue. |  |  |
| **Price earnings ratio**  This shows that zenith bank will take fewer years to recover their shareholders investment. |  |  |
| **Earning yield**  This shows that zenith bank has more returns on share holders’ investment |  |  |
| **Net asset per share**  This shows that zenith bank had more net assets attributable to each share holder. |  |  |
| **Dividend per share**  This shows that zenith bank declared higher dividend to share holders. |  |  |
| **Dividend payout ratio**  This shows tat zenith bank has the higher percentage of dividend paid to share holders. |  |  |
| **Dividend yield**  This shows thatzenith bank had a higher return on dividends. |  |  |

* **TELECOMMUNICATIONS**

|  |  |  |
| --- | --- | --- |
| Ratios | OMATEK | CHAMZ |
| **Current ratio**  OMATEK will settle its liabilities faster than CHAMZ. |  |  |
| **Quick asset ratio**  CHAMZ Can get their cash converted quickly because they have a ration close to the ideal ratio. |  |  |
| **Receivable recollection period**  CHAMZ will receive their receivable earlier. |  |  |
| **Payables collection period**  CHAMZ will be able to settle their payables earlier than OMATEK. |  |  |
| **Inventory turnover period**  CHAMZ will sell their inventory earlier. |  |  |
| **Receivables turnover**  OMATEK will be able to turnover their receivable earlier. |  |  |
| **Payables turnover**  CHAMZ will turnover better than Portland paints. |  |  |
| **Inventory turnover**  OMATEK will turnover their inventory better than BOC gases. |  |  |
| **ROCE**  CHAMZ is more efficient than OMATEK. |  |  |
| **Gross profit % or gross margin**  OMATEK has a higher rate of gross profit. |  |  |
| **Net Profit Percentage**  Chamz has higher net profit for the year. |  |  |
| (**Expenses percentage)**  selling and distribution  Administrative expenses  Omatek has a higher expenses percentage |  |  |
| (**Expenses to sale)**  selling expenses  Administrative expenses  Omatek has a higher perecentage of expenses to sales |  |  |

* **CONSUMER SERVICES SECTOR**

|  |  |  |
| --- | --- | --- |
| **Ratios** | **ABC TRANSPORT** | **CAPITAL HOTELS PLC** |
| **Current ratio**  Capital hotel will be able to settle its current liabilities earlier. |  |  |
| **Quick asset ratio**  ABC Transport Can get their cash converted quickly because they have the ideal ratio. |  |  |
| **Receivable recollection period**  ABC Transport gases will receive their receivable earlier. |  |  |
| **Payables collection period**  ABC Transport will be able to settle their payables earlier. |  |  |
| **Inventory turnover period**  Capital hotel will sell their inventory earlier. |  |  |
| **Receivables turnover**  Capital hotel will be able to turnover their receivable better than ABC Transport. |  |  |
| **Payables turnover**  Capital hotel will turnover better than ABC Transport. |  |  |
| **Inventory turnover**  Capital hotel will turnover their inventory better than ABC Transport.. |  |  |
| **ROCE**  Capital hotel is more efficient than ABC transport. |  |  |
| **Gross profit % or gross margin**  ABC transport. has a higher rate of gross profit. |  |  |
| **Net Profit Percentage**  Capital hotel has a higher net profit percentage. |  |  |
| **Price earnings ratio**  Capital hotel has a higher earning ratio. |  |  |
| **Earning yield**  ABC Transport has a higher returns on dividend. |  |  |

* **INDUSTRIALS**

|  |  |  |
| --- | --- | --- |
| **Ratios** | **JULIUS BERGER** | **BETA GLASS** |
| **Current ratio**  Beta glass will be able to settle its current liabilities because it has the ideal ratio. |  |  |
| **Quick asset ratio**  Beta glass Can get their cash converted quickly because they have the ideal ratio. |  |  |
| **Receivable recollection period**  Beta glass will receive their payables earlier. |  |  |
| **Payables collection period**  Julius berger will be able to settle their payables earlier than Beta glass. |  |  |
| **Inventory turnover period**  Julius berger will sell their inventory earlier. |  |  |
| **Receivables turnover**  Beta glass will be able to turnover their receivable better than Julius berger. |  |  |
| **Payables turnover**  Julius berger will turnover better than Beta glass. |  |  |
| **Inventory turnover**  Julius Berger will turnover their inventory better than Beta glass.. |  |  |
| **ROCE**  Beta glass is more efficient than Julius Berger. |  |  |
| **Gross profit % or gross margin**  Beta glass has a higher rate of gross profit. |  |  |
| **Net Profit Percentage**  Beta glass has a higher net profit for theyear |  |  |
| (**Expenses percentage)**  selling and distribution  Administrative expenses  They both have approximately the same expense to percentage, percentage for the year |  |  |
| **(Expenses to sale)**  selling expenses  Administrative expenses  Beta glass has the higher expense to sale percentage for the year. |  |  |
| **Price earnings ratio**  Beta glass has the highest price earning ratio. |  |  |
| **Earning yield**  Julius berger has the highest earning yield. |  |  |

* **OIL AND GAS**

|  |  |  |
| --- | --- | --- |
| **Ratios** | **MOBIL** | **OANDO** |
| **Current Ratio** Mobil will be able to settle its current liabilities because they the ideal ratio. |  |  |
| **Quick asset ratio**  Both will get their cash converted at the same time because they have the ideal ratio. |  |  |
| **Receivable recollection period**  Mobil will receive their receivable earlier. |  |  |
| **Payables collection period**  Mobil will be able to settle their payables earlier than Oando |  |  |
| **Inventory turnover period**  Oando will sell their inventory earlier. |  |  |
| **Receivables turnover**  Mobil will be able to turnover their receivable better than Oando. |  |  |
| **Payables turnover**  Mobil will turnover better than Oando |  |  |
| **Inventory turnover**  Oando will turnover their inventory better than Mobil. |  |  |
| **ROCE**  Oando is more efficient than Mobil. |  |  |
| **Gross profit % or gross margin**  Oando has a higher rate of gross profit. |  |  |
| **Net Profit Percentage**  Mobil has a higher net profit percentage for the year. |  |  |
| **(Expenses percentage)**  selling and distribution  Administrative expenses  They have the same Expense percentage. |  |  |
| (**Expenses to sale)**  selling expenses  Administrative expenses  Oando has the higher Expense to sale percentage. |  |  |
| **Price earnings ratio**  Mobil has the higher price earnings ratio. |  |  |
| **Earning yield**  Oando has the highet earning yield. |  |  |