**NAME; NWACHUKWU OLUCHUKWU ESTHER**

**MATRIC NUMBER; 17/SMS02/034**

**TITLE; ACCOUNTING RATIO**

**NAME OF COMPANIES ANALYSED**;

**BASIC MATERIALS** - PORTLAND PAINTS AND BOCGAS

**CONSUMER GOODS-** PRESCO AND CHAMPION PLC

**CONSUMER SERVICES**- TRANSCORP HOTELS AND DAAR COMMUNICATION

**FINANCIALS-** ZENITH AND ACCESS BANK

**HEALTH CARE-** FIDSON HEALTHCARE AND PHARMA DEKO

**INDUSTRIALS-** CUTIX AND GREIF NIGERIA

**OIL AND GAS** – CONNOIL AND MOBIL PLC

**TELECOMMUNICATION-** E-TRANZACT AND CHAMS PLC

1. BASIC MATERIALS;

 PORTLAND

 PAINTS BOCGAS

 2018 2018

 ₦’000 ₦’000

1. CURRENT RATIO; current assets 1718570 2119056

 Current liabilities 700439 1298954

 = 2.45:1 = 1.63:1

Current ratio measures how many times you can cover your current liabilities, it tells investors and analysts how a company can maximize the current assets on the statement of financial position to satisfy its current debt and payables. The above firms have the standard current ratio, but the current ratio of Portland paints is higher than BocGas, therefore Portland paints will be able to cover their current liabilities more than BocGas

1. ACID TEST RATIO; current assets – inventory 1718570-728047 2119056-156404

 Current liabilities 700439 1298954

 =1.41:1 =1.51:1

Acid test ratio measures how many times you can cover your current liabilities without selling any inventory and is a more stringent measure of liquidity.

1. RECEIVABLES COLLECTION PERIOD;

Total receivables 476180 425776

 × 365 days × 365 days × 365

 Credit Sales 2829262 2869713

 = 61 days = 54 days.

The receivables collection period measures the number of days it takes for credit customers to make payment to the company. BocGas takes a shorter period of time to collect accounts receivable unlike Portland paints which benefits the firm.

1. PAYABLES PAYMENT PERIOD

 Total payables 501988 1026198

 X 365 days X 365 days X365 days

Credit purchases  1753972 1425662

 =104 days = 262 days

The payable payment period measures the amount of days which the accounts payables remain unpaid. The payables payment period for Portland paints has a shorter period of time which means that unlike BocGas it doesn’t require the pay back fast.

1. INVENTORY TURNOVER PERIOD;

Average inventory

 X 365 days

Cost of sales

 Average inventory = opening inventory+ closing inventory

 2

 For Portland paints

 Average inventory = 900430+728047 = 814239 164564

 2 1753972 1425662

For BocGas

Average inventory = 172724+156404 = 164564

 2

 = 169 days =42 days

 This ratio expresses how long inventory is kept in store until sale . BocGas has a better inventory turnover period because it takes only 42 days while Portland paints has 169 days.

1. RECEIVABLES TURNOVER;

Credit sales 2829262 2869713

Total receivables 476180 425776

 =5.94times =6.7times

Receivables turnover shows how quick or the amount of times a company collects cash from its receivables. BocGas has a better receivables turnover because the amount of times it takes to collect cash is higher than Portland paints

1. PAYABLES TURNOVER;

Credit purchases 1753972 1425662

Total payables 501988 1026198

 = 3.4times = 1.39times

The payable turnover represents the amount of times payable are turnover in a year. The payable turnover of BocGas is lower than Portland paints which is better for the firm.

1. INVENTORY TURNOVER;

Cost of sales 1753972 1425662

Average inventory 814239 164564

 = 2.15times =8.66times

The higher the inventory turnover the better because it proves that a company is selling goods quickly and that demand for the product exists. In this case BocGas has a higher inventory turnover of 8.66 times which is great for the firm.

1. ROCE

Profit 206693 357604

Capital employed 1551029 3192302

 = 0.13 =0.11

This is a financial ratio that determines a company’s profitability and how efficiently the capital is applied. A higher ROCE indicates an efficient use of capital which means Portland paints has used its capital more efficiently.

1. GROSS PROFIT MARGIN

Gross profit 696020 1444051

 X 100% X 100% X100%

Sales 2829262 2869713

 = 25% =50%

the gross profit margin is used to assess a company’s financial health. A high gross profit margin means that the company is managing its cost of sales and also has more to cover for operating, financing and other costs.in the above we see that BocGas has a higher gross profit margin which mean it manages its cost of sales effectively.

1. NET PROFIT MARGIN

Net profit 206693 357604

 X 100% X 100% X 100%

Sales 2829262 2869713

 = 7.3% =12.4%

The net profit margin indicates how much net income a company makes with total sales achieved. A higher net margin means that a company is more efficient at converting sales into actual profit, therefore BocGas is more efficient in converting sales into actual profit.

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1. EARNINGS PER SHARE;

PAT- preference dividend 206693 357604

Number of ordinary shares 793416 416245

 = ₦0.26k =₦0.86k

EPS indicates how much money a company makes for each share of its stock and is a widely used metric for corporate profit. A higher EPS indicates that investors will pay more for a company with higher profits. BocGas has a higher EPS in this case.

1. P.E/RATIO;

MPS 2.80 3.79

EPS 0.26 0.86

 =10.7 =4.4

This ratio shows how much investors are willing to pay per dollar of earnings. A higher P.E/ratio indicates that investors expect higher earnings, therefore Portland paints P.E/ ratios investors will expect higher earnings. But a high P.E/ratio does not necessarily mean a better investment it could be an indication that stock is overvalued.

1. EARNINGS YIELD;

EPS 0.26 0.86

 X 100% X100% X100%

MPS 2.80 3.79

 = 9.3% =22.6%

Earnings yield is a way to measure returns, and it helps to evaluate whether those returns commensurate with an investments risk. A higher ratio shows that investors are willing to pay a higher share price today because of growth expectations in the future. This means that the investors in BocGas are willing and ready to pay higher share price compared to Portland paints.

1. NET ASSETS PER SHARE

Net asset- preference dividend 1536981 2662537

Number of ordinary shares 793416 416245

 = 1.94 =6.4

This ratio reflects the total value of the scheme’s investment minus assets and liabilities. A higher net asset per share means that the schemes investment has fared very well. This means that BocGas which has the higher net asset per share investments scheme has fared quite well compared to Portland paints.

1. DIVIDEND PER SHARE

Gross dividend 39671 83249

Number of ordinary shares 793416 416245

 =0.05 =0.2

Dividend per share is the sum of declared dividends issued by a company for every ordinary share outstanding. The higher the dividend per share the better for the company. BocGas has a higher dividend per share so compared to Portland paints it is doing better.

1. DIVIDEND PAYOUT

DPS 0.05 0.2

 X100 X100% X100%

EPS 0.26 0.86

 =19.2% =23.2%

The dividend payout ratio measures the percentage of net income that is distributed to shareholders in form of dividend. The dividend payout ratio is not to assess which company is good or bad but to help investors identify what type of returns a company is more likely to offer an investor. A high DPR means the company is reinvesting less into business, that means BocGas is reinvesting less into business. A low DPR means you’re reinvesting more money into expanding the business which mans Portland paints is reinvesting into business expansion.

1. DIVIDEND YIELD

DPS 0.05 0.2

 X100% X100% X100%

MPS 2.80 3.79

 = 2% =5.2%

This is a financial ratio that shows how much a company pays out in dividend each year relative to its stock price. The higher the dividend yield the more income but also the higher the risk, therefore BocGas which has a dividend yield of 5.2% is better than Portland paints.

1. DIVIDEND COVER

PAT- preference dividend 206693 357604

Total dividend 39671 83249

 =5.21 =4.3

Dividend cover measures the ability of a company to pay dividend to its stockholders. A low dividend cover indicates that the company is paying out a large proportion of its earnings as dividend, while high ratio indicates that the company has plenty earnings to spare after paying its dividends, therefore Portland paints has a better dividend cover.

1. TOTAL DEBT TO SHAREHOLDERS FUND

Non-current liabilities + current liabilities 14048+700439 529765+1298954

 Shareholders fund 1536981 2662537

 =0.46 =0.69

The total debt to shareholders fund shows us the degree to which a company has used debt to finance its assets. The lower the ratio the lower the risk therefore Portland paints has a better total debt to shareholders ratio compared to BocGas.

1. CONSUMER GOODS;

 PRESCO CHAMPION

  2018 2018

 ₦’000 ₦’000

1. CURRENT RATIO; current assets 15506385 2054569

 Current liabilities 22186865 2305491

 =0.69:1 =0.89:1

Current ratio measures how many times you can cover your current liabilities, it tells investors and analysts how a company can maximize the current assets on the statement of financial position to satisfy its current debt and payables. The above firms have the standard current ratio, but the current ratio of champion is higher than presco, therefore champion will be able to cover their current liabilities more than presco.

1. ACID TEST RATIO;

current assets – inventory 15506385- 4631715 2054569-739277

 Current liabilities 22186865 2305491

 =0.49:1 =0.57:1

Acid test ratio measures how many times you can cover your current liabilities without selling any inventory and is a more stringent measure of liquidity.

1. RECEIVABLES COLLECTION PERIOD;

Total receivables 5062572 1090183

 × 365 days X365days X365days

 Credit Sales 21344730 4763757

 =87days =84days

The receivables collection period measures the number of days it takes for credit customers to make payment to the company. Champion takes a shorter period of time to collect accounts receivable unlike presco which benefits the firm.

1. PAYABLES PAYMENT PERIOD

 Total payables 8034114 1799747

 × 365 days X365days X365days

Credit purchases 4753275 3572665

 =617days =184days

The payable payment period measures the amount of days which the accounts payables remain unpaid. The payables payment period for champion has a shorter period of time which means that unlike presco it doesn’t require the pay back fast

1. INVENTORY TURNOVER PERIOD;

Average inventory 4668211 666022

 X 365 days X365days X365days

Cost of sales 4753275 3572665

 =358days =68days

 This ratio expresses how long inventory is kept in store until sale. Champion has a better inventory turnover period because it takes only 68 days while presco has 358days.

FOR PRESCO

4631715+4704706 = 4668211

 2

FOR CHAMPION

739277+592767 = 666022

 2

1. RECEIVABLES TURNOVER;

Credit sales 21344730 4763757

Total receivables 5062572 1090183

 =4.2times =4.4times

 Receivables turnover shows how quick or the amount of times a company collects cash from its receivables. Champion has a better receivables turnover because the amount of times it takes to collect cash is higher than presco.

1. PAYABLES TURNOVER;

Credit purchases 4753275 3572665

Total payables 8034114 1799747

 =0.59times =1.98 times

The payable turnover represents the amount of times payable are turnover in a year. The payable turnover of presco is lower than champion which is better for the firm.

1. INVENTORY TURNOVER;

Cost of sales 4753275 3572665

Average inventory 4668211 666022

 =1.02times =5.4times

The higher the inventory turnover the better because it proves that a company is selling goods quickly and that demand for the product exists. In this case champion has a higher inventory turnover of 5.4times which is great for the firm.

1. ROCE

Profit 4284188 263807

Capital employed 36491884 8181519

 = 0.12 =0.03

This is a financial ratio that determines a company’s profitability and how efficiently the capital is applied. A higher ROCE indicates an efficient use of capital which means presco has used its capital more efficiently.

1. GROSS PROFIT MARGIN

Gross profit 16591455 1191092

 X 100% X100% X100%

Sales 21344730 4763757

 = 78% = 25%

the gross profit margin is used to assess a company’s financial health. A high gross profit margin means that the company is managing its cost of sales and also has more to cover for operating, financing and other costs.in the above we see that presco has a higher gross profit margin which mean it manages its cost of sales effectively.

1. NET PROFIT MARGIN

Net profit 4284188 263807

 X 100% X100% X100%

Sales 21344730 4763757

 = 20% =5.53%

The net profit margin indicates how much net income a company makes with total sales achieved. A higher net margin means that a company is more efficient at converting sales into actual profit, therefore presco is more efficient in converting sales into actual profit.

1. EARNINGS PER SHARE;

PAT- preference dividend 4284188 263807

Number of ordinary shares 1000000 7829496

 =4.28 =0.03

EPS indicates how much money a company makes for each share of its stock and is a widely used metric for corporate profit. A higher EPS indicates that investors will pay more for a company with higher profits. presco has a higher EPS in this case.

1. P.E/RATIO;

MPS 34.6 1.02

EPS 4.28 0.03

 =8.08 = 34

This ratio shows how much investors are willing to pay per dollar of earnings. A higher P.E/ratio indicates that investors expect higher earnings, therefore presco P.E/ ratios investors will expect higher earnings. But a high P.E/ratio does not necessarily mean a better investment it could be an indication that stock is overvalued.

1. EARNINGS YIELD;

EPS 4.28 0.03

 X 100% X100% X100%

MPS 34.6 1.02

 = 12.4% =2.94%

Earnings yield is a way to measure returns, and it helps to evaluate whether those returns commensurate with an investments risk. A higher ratio shows that investors are willing to pay a higher share price today because of growth expectations in the future. This means that the investors in presco are willing and ready to pay higher share price compared to champion.

1. NET ASSETS PER SHARE

Net asset- preference dividend 24174342 7935532

Number of ordinary shares 1000000 7829496

 = 24.17 =1.01

This ratio reflects the total value of the scheme’s investment minus assets and liabilities. A higher net asset per share means that the schemes investment has fared very well. This means that presco which has the higher net asset per share investments scheme has fared quite well compared to champion.

1. DIVIDEND PER SHARE

Gross dividend 2000000 0

Number of ordinary shares 1000000 7829496

 =2 =0

Dividend per share is the sum of declared dividends issued by a company for every ordinary share outstanding. The higher the dividend per share the better for the company. Presco has a higher dividend per share so compared to champion it is doing better.

1. DIVIDEND PAYOUT

DPS 2 0

 X100 X100 X100

EPS 4.28 0.03

 =47 =0

The dividend payout ratio measures the percentage of net income that is distributed to shareholders in form of dividend. The dividend payout ratio is not to assess which company is good or bad but to help investors identify what type of returns a company is more likely to offer an investor. A high DPR means the company is reinvesting less into business, that means presco is reinvesting less into business. A low DPR means you’re reinvesting more money into expanding the business which means champion is reinvesting into business expansion.

1. DIVIDEND YIELD

DPS 2 0

 X100% X100% X100%

MPS 34.6 1.02

 = 6% =0

This is a financial ratio that shows how much a company pays out in dividend each year relative to its stock price. The higher the dividend yield the more income but also the higher the risk, therefore presco which has a dividend yield of 6% is better than champion.

1. DIVIDEND COVER

PAT- preference dividend 4284188 263807

Total dividend 2000000 0

 =2.14 =0

 =5.21 =4.3

Dividend cover measures the ability of a company to pay dividend to its stockholders. A low dividend cover indicates that the company is paying out a large proportion of its earnings as dividend, while high ratio indicates that the company has plenty earnings to spare after paying its dividends, therefore presco has a better dividend cover.

1. TOTAL DEBT TO SHAREHOLDERS FUND

Non-current liabilities + current liabilities 12317542+22186865 245987+2305491

 Shareholders fund 24174342 7935532

 =1.43 =0.32

The total debt to shareholders fund shows us the degree to which a company has used debt to finance its assets. The lower the ratio the lower the risk therefore presco has a better total debt to shareholders ratio compared to champion.

1. CONSUMER SERVICES TRANSCORP DAAR

 HOTELS COMMUNICATIONS

 2018 2018

 ₦’000 ₦’000

1. CURRENT RATIO; current assets 5722247 3714296

 Current liabilities 19621972 10011355

 = 0.29:1 = 0.37

Current ratio measures how many times you can cover your current liabilities, it tells investors and analysts how a company can maximize the current assets on the statement of financial position to satisfy its current debt and payables. The above firms have the standard current ratio, but the current ratio of Daar communication is higher than transcorp hotels, therefore Daar communication will be able to cover their current liabilities more than transcorp hotels.

1. ACID TEST RATIO;

 current assets – inventory 5722247- 526851 3714296 – 0

 Current liabilities 19621972 10011355

 =0.26 =0.37

Acid test ratio measures how many times you can cover your current liabilities without selling any inventory and is a more stringent measure of liquidity.

1. RECEIVABLES COLLECTION PERIOD;

Total receivables 2051882 3478759

 × 365days X365days X365days

 Credit Sales 16475720 4637217

 =45days =273days

The receivables collection period measures the number of days it takes for credit customers to make payment to the company. Transcorp hotels takes a shorter period of time to collect accounts receivable unlike Daar communication which benefits the firm.

1. PAYABLES PAYMENT PERIOD

 Total payables 7804949 8300980

 × 365 days X365days X365days

Credit purchases 4233787 2653994

 =672days =1141days.

The payable payment period measures the amount of days which the accounts payables remain unpaid. The payables payment period for transcorp hotel has a shorter period of time which means that unlike Daar communication it doesn’t require the pay back fast.

1. INVENTORY TURNOVER;

Average inventory 596501 0

 X 365 days X365days X365days

Cost of sales 4233787 2653994

 =51 days =0

This ratio expresses how long inventory is kept in store until sale. Daar communication has a better inventory turnover period because it takes only 0 days while transcorp hotels has 51days.

 For Transcorp hotels

 526851+666150

 2

 For Daar communications

 0+0

 2

1. RECEIVABLES TURNOVER;

Credit sales 16475720 4637217

Total receivables 2051882 3478759

 =8.02times =1.33times

Receivables turnover shows how quick or the amount of times a company collects cash from its receivables. Transcorp hotels has a better receivables turnover because the amount of times it takes to collect cash is higher than daar communication.

1. PAYABLES TURNOVER;

Credit purchases 4233787 2653994

Total payables 7804949 8300980

 =0.54times =0.32 times

 The payable turnover represents the amount of times payable are turnover in a year. The payable turnover of daar communication is lower than transcorp hotels which is better for the firm

1. INVENTORY TURNOVER;

Cost of sales 4233787 2653994

Average inventory 596501 0

 =7.1times =0

The higher the inventory turnover the better because it proves that a company is selling goods quickly and that demand for the product exists. In this case transcorp hotels has a higher inventory turnover of 7.1 times which is great for the firm.

1. ROCE

Profit 3876300 2169580

Capital employed 89163718 9797053

 =0.04 =0.22

 This is a financial ratio that determines a company’s profitability and how efficiently the capital is applied. A higher ROCE indicates an efficient use of capital which means daar communication has used its capital more efficiently

1. GROSS PROFIT MARGIN

Gross profit 12241933 1983223

 X 100% X100% X100%

Sales 16475720 4637217

 =74% =43%

the gross profit margin is used to assess a company’s financial health. A high gross profit margin means that the company is managing its cost of sales and also has more to cover for operating, financing and other costs.in the above we see that transcorp hotels has a higher gross profit margin which mean it manages its cost of sales effectively.

1. NET PROFIT MARGIN

Net profit 3876300 2169580

 X 100% X100% X100%

Sales 16475720 4637217

 = 24% =47%

The net profit margin indicates how much net income a company makes with total sales achieved. A higher net margin means that a company is more efficient at converting sales into actual profit, therefore daar communications is more efficient in converting sales into actual profit.

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1. EARNINGS PER SHARE;

PAT- preference dividend 3876300-0 2169580-0

Number of ordinary shares 7600404 8000000

 =0.51 =0.27

EPS indicates how much money a company makes for each share of its stock and is a widely used metric for corporate profit. A higher EPS indicates that investors will pay more for a company with higher profits. Transcorp hotels has a higher EPS in this case.

1. P.E/RATIO;

MPS 5.4 0.4

EPS 0.51 0.27

 =10.7 =1.5

This ratio shows how much investors are willing to pay per dollar of earnings. A higher P.E/ratio indicates that investors expect higher earnings, therefore transcorp hotels P.E/ ratios investors will expect higher earnings. But a high P.E/ratio does not necessarily mean a better investment it could be an indication that stock is overvalued.

1. EARNINGS YIELD;

EPS 0.51 0.27

 X 100% X100% X100%

MPS 5.4 0.4

 =9.4 =67.5

Earnings yield is a way to measure returns, and it helps to evaluate whether those returns commensurate with an investments risk. A higher ratio shows that investors are willing to pay a higher share price today because of growth expectations in the future. This means that the investors in daar communication are willing and ready to pay higher share price compared to transcorp hotels.

1. NET ASSETS PER SHARE

Net asset- preference dividend 57637528-0 7366594-0

Number of ordinary shares 7600404 8000000

 =7.5 =0.92

This ratio reflects the total value of the scheme’s investment minus assets and liabilities. A higher net asset per share means that the schemes investment has fared very well. This means that transcorp hotels which has the higher net asset per share investments scheme has fared quite well compared to daar communication.

1. DIVIDEND PER SHARE

Gross dividend 1140061 0

Number of ordinary shares 7600404 8000000

 = 0.15 =0

Dividend per share is the sum of declared dividends issued by a company for every ordinary share outstanding. The higher the dividend per share the better for the company. Transcorp hotels has a higher dividend per share so compared to daar communication it is doing better.

1. DIVIDEND PAYOUT

DPS 0.15 0

 X100 X100 X100

EPS 0.51 0.27

 =29.4 =0

The dividend payout ratio measures the percentage of net income that is distributed to shareholders in form of dividend. The dividend payout ratio is not to assess which company is good or bad but to help investors identify what type of returns a company is more likely to offer an investor. A high DPR means the company is reinvesting less into business, that means transcorp hotels is reinvesting less into business. A low DPR means you’re reinvesting more money into expanding the business which means daar communication is reinvesting into business expansion

1. DIVIDEND YIELD

DPS 0.15 0

 X100% X100% X100%

MPS 5.4 0.4

 = 2.8% =0

This is a financial ratio that shows how much a company pays out in dividend each year relative to its stock price. The higher the dividend yield the more income but also the higher the risk, therefore transcorp hotels which has a dividend yield of 2.8% is better than daar communication.

1. DIVIDEND COVER

PAT- preference dividend 3876300-0 2169580-0

Total dividend 1140061 0

 =3.4 =0

Dividend cover measures the ability of a company to pay dividend to its stockholders. A low dividend cover indicates that the company is paying out a large proportion of its earnings as dividend, while high ratio indicates that the company has plenty earnings to spare after paying its dividends, therefore transcorp hotels has a better dividend cover.

1. TOTAL DEBT TO SHAREHOLDERS FUND

Non-current liabilities + current liabilities 31526190+19880187 2430459+10011355

 Shareholders fund 57637528 7366594

 =0.89 =1.69

The total debt to shareholders fund shows us the degree to which a company has used debt to finance its assets. The lower the ratio the lower the risk therefore transcorp hotel has a better total debt to shareholders ratio compared to Daar communication.

1. FINANCIALS ZENITH BANK ACCESSBANK

 2018 2018

 ₦’000 ₦’000

1. CURRENT RATIO; current assets 4955445 3955872

 Current liabilities 4280413 3527314

 =1.2:1 =1.12:1

Current ratio measures how many times you can cover your current liabilities, it tells investors and analysts how a company can maximize the current assets on the statement of financial position to satisfy its current debt and payables. The above firms have the standard current ratio, but the current ratio of Zenith bank is higher than access bank, therefore Zenith bank will be able to cover their current liabilities more than access bank.

1. ACID TEST RATIO;

 current assets – inventory 4955445-0 3955872-0

 Current liabilities 4280413 3527314

 =1.2:1 =1.12:1

Acid test ratio measures how many times you can cover your current liabilities without selling any inventory and is a more stringent measure of liquidity.

1. ROCE

Profit 165480 75248146

Capital employed 675032 440799757

 = 0.25 =0.17

This is a financial ratio that determines a company’s profitability and how efficiently the capital is applied. A higher ROCE indicates an efficient use of capital which means Zenith bank has used its capital more efficiently.

1. EARNINGS PER SHARE;

PAT- preference dividend 5.27 3.31

Number of ordinary shares

EPS indicates how much money a company makes for each share of its stock and is a widely used metric for corporate profit. A higher EPS indicates that investors will pay more for a company with higher profits. Zenith bank has a higher EPS in this case.

1. P.E/RATIO;

MPS 18.65 10.05

EPS 5.27 3.31

 =3.53 =3.04

This ratio shows how much investors are willing to pay per dollar of earnings. A higher P.E/ratio indicates that investors expect higher earnings, therefore Zenith bank P.E/ ratios investors will expect higher earnings. But a high P.E/ratio does not necessarily mean a better investment it could be an indication that stock is overvalued.

1. EARNINGS YIELD;

EPS 5.27 3.31

 X 100% X100% X100%

MPS 18.65 10.05

 =28.3% =33%

Earnings yield is a way to measure returns, and it helps to evaluate whether those returns commensurate with an investments risk. A higher ratio shows that investors are willing to pay a higher share price today because of growth expectations in the future. This means that the investors in Zenith bank are willing and ready to pay higher share price compared to Access bank.

1. NET ASSETS PER SHARE

Net asset- preference dividend 4955445-0 3968114

Number of ordinary shares 15698 212438

 =315.7 =18.7

This ratio reflects the total value of the scheme’s investment minus assets and liabilities. A higher net asset per share means that the schemes investment has fared very well. This means that Zenith bank which has the higher net asset per share investments scheme has fared quite well compared to Access bank.

1. GEARING RATIO;

Debt 4280413 251251383

Equity 67503200 440799757

 =0.06 =0.57

1. TOTAL DEBT TO SHAREHOLDERS FUND

Non-current liabilities + current liabilities 4280413 7870360+3527314

 Shareholders fund 67503200 440799757

 =0.06 =0.03

The total debt to shareholders fund shows us the degree to which a company has used debt to finance its assets. The lower the ratio the lower the risk therefore Access bank has a better total debt to shareholders ratio compared to Zenith bank.

1. HEALTH CARE FIDSON PHARMA

 HEALTHCARE DEKOPLC

 2018 2018

 ₦’000 ₦’000

1. CURRENT RATIO; current assets 7575483 510849

 Current liabilities 10535885 545790

 =0.7:1 =0.9:1

Current ratio measures how many times you can cover your current liabilities, it tells investors and analysts how a company can maximize the current assets on the statement of financial position to satisfy its current debt and payables. The above firms have the standard current ratio, but the current ratio of Pharma Deko is higher than Fidson healthcare, therefore Pharma Deko will be able to cover their current liabilities more than Fidson Healthcare.

1. ACID TEST RATIO;

 current assets – inventory 7575483-2875133 510849-255224

 Current liabilities 10535885 545790

 =0.44:1 =0.94:1

Acid test ratio measures how many times you can cover your current liabilities without selling any inventory and is a more stringent measure of liquidity.

1. RECEIVABLES COLLECTION PERIOD;

Total receivables 3803982 169522

 × 365 days X365days X365days

 Credit Sales 16229903 1023806

 =85days =60 days

 The receivables collection period measures the number of days it takes for credit customers to make payment to the company. Pharma Deko takes a shorter period of time to collect accounts receivable unlike Fidson healthcare which benefits the firm.

1. PAYABLES PAYMENT PERIOD

 Total payables 3682712 68098

 × 365 days X365days X365days

Credit purchases 9910219 622439

 = 136days =40days

The payable payment period measures the amount of days which the accounts payables remain unpaid. The payables payment period for Pharma Deko has a shorter period of time which means that unlike Fidson healthcare it doesn’t require the pay back fast.

1. INVENTORY TURNOVER;

Average inventory 2315881 242002

 X 365 days X365days X365days

Cost of sales 9910219 622439

 = 85days =141days

This ratio expresses how long inventory is kept in store until sale. Fidson healthcare has a better inventory turnover period because it takes only 85 days while Pharma Deko has 141 days.

FOR FIDSON

1756629+2875133 =2315881

 2

FOR PHARMA DEKO

255224+228779= 242002

 2

1. RECEIVABLES TURNOVER;

Credit sales 16229903 1023806

Total receivables 3803982 169522

 =4.2 times =6.03times

Receivables turnover shows how quick or the amount of times a company collects cash from its receivables. Pharma Deko has a better receivables turnover because the amount of times it takes to collect cash is higher than Fidson healthcare.

1. PAYABLES TURNOVER;

Credit purchases 9910219 622439

Total payables 3682712 68098

 =2.6times =9.14times

The payable turnover represents the amount of times payable are turnover in a year. The payable turnover of Fidson healthcare is lower than Pharma Deko which is better for the firm.

1. INVENTORY TURNOVER;

Cost of sales 9910219 622439

Average inventory 2315881 242002

 =4.3times =2.6times

The higher the inventory turnover the better because it proves that a company is selling goods quickly and that demand for the product exists. In this case Fidson healthcare has a higher inventory turnover of 4.3 times which is great for the firm.

1. ROCE

Profit 97447 265260

Capital employed 9947440 1777347

 =0.001 =0.149

This is a financial ratio that determines a company’s profitability and how efficiently the capital is applied. A higher ROCE indicates an efficient use of capital which means Pharma Deko has used its capital more efficiently.

1. GROSS PROFIT MARGIN

Gross profit 6319684 401367

 X 100% X100% X100%

Sales 16229903 1023806

 =39% =39.2%

the gross profit margin is used to assess a company’s financial health. A high gross profit margin means that the company is managing its cost of sales and also has more to cover for operating, financing and other costs.in the above we see that Pharma Deko has a higher gross profit margin which mean it manages its cost of sales effectively

1. NET PROFIT MARGIN

Net profit 97447 265260

 X 100% X100% X100%

Sales 16229903 1023806

 = 0.6% =25%

The net profit margin indicates how much net income a company makes with total sales achieved. A higher net margin means that a company is more efficient at converting sales into actual profit, therefore Pharma Deko is more efficient in converting sales into actual profit.

1. EARNINGS PER SHARE;

PAT- preference dividend 97447-0 265260-0

Number of ordinary shares 1500000 216932

 =0.06 =1.22

EPS indicates how much money a company makes for each share of its stock and is a widely used metric for corporate profit. A higher EPS indicates that investors will pay more for a company with higher profits. Pharma Deko has a higher EPS in this case.

1. P.E/RATIO;

MPS 4.95 1.5

EPS 0.06 1.22

 =82.5 =1.23

This ratio shows how much investors are willing to pay per dollar of earnings. A higher P.E/ratio indicates that investors expect higher earnings, therefore Fidson healthcare P.E/ ratios investors will expect higher earnings. But a high P.E/ratio does not necessarily mean a better investment it could be an indication that stock is overvalued

1. EARNINGS YIELD;

EPS 0.06 1.22

 X 100% X100% X100%

MPS 4.95 1.5

 =1.2% =81.3%

Earnings yield is a way to measure returns, and it helps to evaluate whether those returns commensurate with an investments risk. A higher ratio shows that investors are willing to pay a higher share price today because of growth expectations in the future. This means that the investors in Pharma Deko are willing and ready to pay higher share price compared to Fidson Healthcare.

1. NET ASSETS PER SHARE

Net asset- preference dividend 7153781-0 1590356-0

Number of ordinary shares 1500000 216932

 =4.7 =7.3

This ratio reflects the total value of the scheme’s investment minus assets and liabilities. A higher net asset per share means that the schemes investment has fared very well. This means that Pharma Deko which has the higher net asset per share investments scheme has fared quite well compared to Fidson healthcare.

1. DIVIDEND PER SHARE

Gross dividend 225000 0

Number of shares 1500000 216932

 = 0.15 =0

Dividend per share is the sum of declared dividends issued by a company for every ordinary share outstanding. The higher the dividend per share the better for the company. has a higher dividend per share so compared to Fidson healthcare it is doing better.

1. DIVIDEND PAYOUT

DPS 0.15 0

 X100 X100% X100%

EPS 0.06 1.22

 =250% =0

The dividend payout ratio measures the percentage of net income that is distributed to shareholders in form of dividend. The dividend payout ratio is not to assess which company is good or bad but to help investors identify what type of returns a company is more likely to offer an investor. A high DPR means the company is reinvesting less into business, that means Fidson Healthcare is reinvesting less into business. A low DPR means you’re reinvesting more money into expanding the business which means Pharma Deko is reinvesting into business expansion.

1. DIVIDEND YIELD

DPS 0.15 0

 X100% X100% X100%

MPS 4.95 1.5

 =3.03% =0

This is a financial ratio that shows how much a company pays out in dividend each year relative to its stock price. The higher the dividend yield the more income but also the higher the risk, therefore Fidson healthcare which has a dividend yield of 3.03% is better than Pharma deko.

1. DIVIDEND COVER

PAT- preference dividend 97447-0 265260-0

Total dividend 225000 0

 =4.3 =0

Dividend cover measures the ability of a company to pay dividend to its stockholders. A low dividend cover indicates that the company is paying out a large proportion of its earnings as dividend, while high ratio indicates that the company has plenty earnings to spare after paying its dividends, therefore Fidson healthcare has a better dividend cover.

1. TOTAL DEBT TO SHAREHOLDERS FUND

Non-current liabilities + current liabilities 2793659+10535885 186991+545790

 Shareholders fund 7153781 1590356

 = 1.9 =0.

 The total debt to shareholders fund shows us the degree to which a company has used debt to finance its assets. The lower the ratio the lower the risk therefore Pharma deko has a better total debt to shareholders ratio compared to Fidson healthcare.

1. INDUSTRIALS

 CUTIX GREIF

 NIGERIA

 2018 2018

 ₦’000 ₦’000

1. CURRENT RATIO; current assets 1957976 377300

 Current liabilities 1359513 376896

 Current ratio measures how many times you can cover your current liabilities, it tells investors and analysts how a company can maximize the current assets on the statement of financial position to satisfy its current debt and payables. The above firms have the standard current ratio, but the current ratio of Cutix is higher than Greif Nigeria, therefore Cutix will be able to cover their current liabilities more than Greif Nigeria

 =1.44:1 =1:1

1. ACID TEST RATIO;

current assets – inventory 1957976- 1317958 377300-63874

 Current liabilities 1359513 376896

 =0.47:1 =0.83:1

Acid test ratio measures how many times you can cover your current liabilities without selling any inventory and is a more stringent measure of liquidity.

1. RECEIVABLES COLLECTION PERIOD;

Total receivables 525058 168938

 × 365 days X365days X365 days

 Credit Sales 5057374 534611

 =38days =115days

The receivables collection period measures the number of days it takes for credit customers to make payment to the company. Cutix takes a shorter period of time to collect accounts receivable unlike Greif Nigeria which benefits the firm.

1. PAYABLES PAYMENT PERIOD

 Total payables 499300 376896

 × 365 days X365 days X 365days

Credit purchases 3536685 649287

 =51days =211days

The payable payment period measures the amount of days which the accounts payables remain unpaid. The payables payment period for Cutix has a shorter period of time which means that unlike Greif Nigeria it doesn’t require the pay back fast

1. INVENTORY TURNOVER;

Average inventory 1210558 123000

 X 365 days X365days X365 days

Cost of sales 3536685 649287

 =124days =69days

This ratio expresses how long inventory is kept in store until sale. Greif Nigeria has a better inventory turnover period because it takes only 69 days while Cutix has 124 days.

For Cutix

1103158+1317958

 2 = 1210558

For Grief Nigeria

182126+63874

 2 =123000

1. RECEIVABLES TURNOVER;

Credit sales 5057374 534611

Total receivables 525058 168938

 =10times =3.2times

 Receivables turnover shows how quick or the amount of times a company collects cash from its receivables. Cutix has a better receivables turnover because the amount of times it takes to collect cash is higher than Greif Nigeria.

1. PAYABLES TURNOVER;

Credit purchases 3536685 649287

Total payables 499300 376896

 =7.1times =1.7times

The payable turnover represents the amount of times payable are turnover in a year. The payable turnover of Greif Nigeria is lower than Cutix which is better for the firm.

1. INVENTORY TURNOVER;

Cost of sales 3536685 649287 Average inventory 1210558 123000

 =3times =5.3times

The higher the inventory turnover the better because it proves that a company is selling goods quickly and that demand for the product exists. In this case Greif Nigeria has a higher inventory turnover of 5.3 times which is great for the firm.

1. ROCE

Profit 440295 262589

Capital employed 1476749 98835

 =0.29 =2.7

This is a financial ratio that determines a company’s profitability and how efficiently the capital is applied. A higher ROCE indicates an efficient use of capital which means Greif Nigeria has used its capital more efficiently.

1. GROSS PROFIT MARGIN

Gross profit 1520689 114676

 X 100% X100% X100%

Sales 5057374 534611

 =30% =21%

the gross profit margin is used to assess a company’s financial health. A high gross profit margin means that the company is managing its cost of sales and also has more to cover for operating, financing and other costs.in the above we see that Cutix has a higher gross profit margin which mean it manages its cost of sales effectively

1. NET PROFIT MARGIN

Net profit 440295 262589

 X 100% X100% X100%

Sales 5057374 534611

 =9% =49%

 The net profit margin indicates how much net income a company makes with total sales achieved. A higher net margin means that a company is more efficient at converting sales into actual profit, therefore Greif Nigeria is more efficient in converting sales into actual profit.

1. EARNINGS PER SHARE;

PAT- preference dividend 440295 262589

Number of ordinary shares 880661 42640

 =0.50 =6.16

EPS indicates how much money a company makes for each share of its stock and is a widely used metric for corporate profit. A higher EPS indicates that investors will pay more for a company with higher profits. Greif Nigeria has a higher EPS in this case

1. P.E/RATIO;

MPS 1.47 9.1

EPS 0.50 6.16

 =2.94 =1.5

This ratio shows how much investors are willing to pay per dollar of earnings. A higher P.E/ratio indicates that investors expect higher earnings, therefore cutix P.E/ ratios investors will expect higher earnings. But a high P.E/ratio does not necessarily mean a better investment it could be an indication that stock is overvalued.

1. EARNINGS YIELD;

EPS 0.50 6.16

 X 100% X100% X100%

MPS 1.47 9.1

 =34% =68%

Earnings yield is a way to measure returns, and it helps to evaluate whether those returns commensurate with an investments risk. A higher ratio shows that investors are willing to pay a higher share price today because of growth expectations in the future. This means that the investors in Greif nigeria are willing and ready to pay higher share price compared to cutix.

1. NET ASSETS PER SHARE

Net asset- preference dividend 1299292 98835

Number of ordinary shares 880661 42640

 = 1.48 =2.3

This ratio reflects the total value of the scheme’s investment minus assets and liabilities. A higher net asset per share means that the schemes investment has fared very well. This means that Greif Nigeria which has the higher net asset per share investments scheme has fared quite well compared to cutix.

1. DIVIDEND PER SHARE

Gross dividend 176132 0

Number of ordinary shares 880661 42640

 = 0.20 =0

Dividend per share is the sum of declared dividends issued by a company for every ordinary share outstanding. The higher the dividend per share the better for the company. Cutix has a higher dividend per share so compared to Greif Nigeria it is doing better.

1. DIVIDEND PAYOUT

DPS 0.20 0

 X100 % X100% X100%

EPS 0.50 6.16

 =40% =0

The dividend payout ratio measures the percentage of net income that is distributed to shareholders in form of dividend. The dividend payout ratio is not to assess which company is good or bad but to help investors identify what type of returns a company is more likely to offer an investor. A high DPR means the company is reinvesting less into business, that means cutix is reinvesting less into business. A low DPR means you’re reinvesting more money into expanding the business which means greif nigeria is reinvesting into business expansion.

1. DIVIDEND YIELD

DPS 0.20 0

 X100% X100% X100%

MPS 1.47 9.1

 =14% =0

This is a financial ratio that shows how much a company pays out in dividend each year relative to its stock price. The higher the dividend yield the more income but also the higher the risk, therefore cutix which has a dividend yield of 14% is better than greif nigeria.

1. DIVIDEND COVER

PAT- preference dividend 440295-0 262589-0

Total dividend 176132 0

 = 2.5 =0

Dividend cover measures the ability of a company to pay dividend to its stockholders. A low dividend cover indicates that the company is paying out a large proportion of its earnings as dividend, while high ratio indicates that the company has plenty earnings to spare after paying its dividends, therefore cutix has a better dividend cover.

1. TOTAL DEBT TO SHAREHOLDERS FUND

Non-current liabilities + current liabilities 177457+1359513 0 +376896

 Shareholders fund 1299292 98835

 =1.2 =3.8

The total debt to shareholders fund shows us the degree to which a company has used debt to finance its assets. The lower the ratio the lower the risk therefore cutix has a better total debt to shareholders ratio compared to grief nigeria.

1. OIL AND GAS CONOIL MOBIL OIL

 2018 2018

 ₦’000 ₦’000

1. CURRENT RATIO; current assets 54908451 34183632

 Current liabilities 41641699 19327761

 =1.31:1 =1.8:1

Current ratio measures how many times you can cover your current liabilities, it tells investors and analysts how a company can maximize the current assets on the statement of financial position to satisfy its current debt and payables. The above firms have the standard current ratio, but the current ratio of conoil is higher than Mobil plc, therefore conoil will be able to cover their current liabilities more than Mobil plc

1. ACID TEST RATIO;

current assets – inventory 54908451- 9141599 34183632-17918599

 Current liabilities 41641699 19327761

 =1.1:1 =0.84:1

Acid test ratio measures how many times you can cover your current liabilities without selling any inventory and is a more stringent measure of liquidity.

1. RECEIVABLES COLLECTION PERIOD;

Total receivables 30295096 11513890

 × 365 days X365days X365days

 Credit Sales 122213014 164609535

 =90days =26days

 The receivables collection period measures the number of days it takes for credit customers to make payment to the company. Mobil plc takes a shorter period of time to collect accounts receivable unlike connoil which benefits the firm.

1. PAYABLES PAYMENT PERIOD

 Total payables 35065872 8212101

 × 365 days X365days X365days

Credit purchases 109442111 148015916

 =116days =20days

The payable payment period measures the amount of days which the accounts payables remain unpaid. The payables payment period for Mobil plc has a shorter period of time which means that unlike connoil it doesn’t require the pay back fast

1. INVENTORY TURNOVER;

Average inventory 4851377 12933600

 X 365 days X365days X365days

Cost of sales 109442111 148015916

 =16days =32days

This ratio expresses how long inventory is kept in store until sale connoil has a better inventory turnover period because it takes only 16 days while Mobil plc has 32 days.

For Conoil

5661155+9141599

 2

For mobil oil

17918599+7948601

 2

1. RECEIVABLES TURNOVER;

Credit sales 122213014 164609535

Total receivables 30295096 11513890

 =4.03times =14.2times

Receivables turnover shows how quick or the amount of times a company collects cash from its receivables. Mobil plc has a better receivables turnover because the amount of times it takes to collect cash is higher than connoil.

1. PAYABLES TURNOVER;

Credit purchases 109442111 148015916

Total payables 35065872 8212101

 =3.12times =18.02times

 The payable turnover represents the amount of times payable are turnover in a year. The payable turnover of connoil is lower than Mobil plc which is better for the firm.

1. INVENTORY TURNOVER;

Cost of sales 109442111 148015916

Average inventory 4851377 12933600

 =23times =11.4times

 The higher the inventory turnover the better because it proves that a company is selling goods quickly and that demand for the product exists. In this case connoil has a higher inventory turnover of 23 times which is great for the firm.

1. ROCE

Profit 1796042 9328935

Capital employed 19255547 51333037

 =0.01 =0.18

 This is a financial ratio that determines a company’s profitability and how efficiently the capital is applied. A higher ROCE indicates an efficient use of capital which means Mobil plc has used its capital more efficiently

1. GROSS PROFIT MARGIN

Gross profit 12770902 16593619

 X 100% X100% X100%

Sales 122213014 164609535

 =10.4% =10%

the gross profit margin is used to assess a company’s financial health. A high gross profit margin means that the company is managing its cost of sales and also has more to cover for operating, financing and other costs.in the above we see that connoil has a higher gross profit margin which mean it manages its cost of sales effectively.

1. NET PROFIT MARGIN

Net profit 1796042 9328935

 X 100% X100% X100%

Sales 122213014 164609535

 =1.47% =5.7%

The net profit margin indicates how much net income a company makes with total sales achieved. A higher net margin means that a company is more efficient at converting sales into actual profit, therefore Mobil plc is more efficient in converting sales into actual profit.

1. EARNINGS PER SHARE;

PAT- preference dividend 1796042-0 9328935-0

Number of ordinary shares 6939521 3605953

 =N25.9K =N2.587K

EPS indicates how much money a company makes for each share of its stock and is a widely used metric for corporate profit. A higher EPS indicates that investors will pay more for a company with higher profits. Connoil has a higher EPS in this case.

1. P.E/RATIO;

MPS 18.5 147.9

EPS 25.9 2.587

 =0.71 =57.2

 This ratio shows how much investors are willing to pay per dollar of earnings. A higher P.E/ratio indicates that investors expect higher earnings, therefore Mobil plc P.E/ ratios investors will expect higher earnings. But a high P.E/ratio does not necessarily mean a better investment it could be an indication that stock is overvalued.

1. EARNINGS YIELD;

EPS 25.9 2.587

 X 100% X100% X100%

MPS 18.5 147.9

 =140% =1.74%

Earnings yield is a way to measure returns, and it helps to evaluate whether those returns commensurate with an investments risk. A higher ratio shows that investors are willing to pay a higher share price today because of growth expectations in the future. This means that the investors in connoil are willing and ready to pay higher share price compared to Mobil plc.

1. NET ASSETS PER SHARE

Net asset- preference dividend 18301074-0 33772775-0

Number of ordinary shares 6939521 3605953

 =2.6 =9.4

This ratio reflects the total value of the scheme’s investment minus assets and liabilities. A higher net asset per share means that the schemes investment has fared very well. This means that Mobil plc which has the higher net asset per share investments scheme has fared quite well compared to connoil.

1. DIVIDEND PER SHARE

 Gross dividend 13879042 29749112

 Number of shares 6939521 3605953

 =2 =8.25

Dividend per share is the sum of declared dividends issued by a company for every ordinary share outstanding. The higher the dividend per share the better for the company. Mobil plc has a higher dividend per share so compared to connoil so it is doing better.

DIVIDEND PAYOUT

DPS 2 8.25

 X100 X100 X100

EPS 25.9 2.587

 =7.7% =318.9%

The dividend payout ratio measures the percentage of net income that is distributed to shareholders in form of dividend. The dividend payout ratio is not to assess which company is good or bad but to help investors identify what type of returns a company is more likely to offer an investor. A high DPR means the company is reinvesting less into business, that means Mobil plc is reinvesting less into business. A low DPR means you’re reinvesting more money into expanding the business which means connoil is reinvesting into business expansion.

1. DIVIDEND YIELD

DPS 2 8.25

 X100% X100% X100%

MPS 18.5 147.9

 =10.8% =5.6%

This is a financial ratio that shows how much a company pays out in dividend each year relative to its stock price. The higher the dividend yield the more income but also the higher the risk, therefore connoil which has a dividend yield of 10.8% is better than Mobil plc.

1. DIVIDEND COVER

PAT- preference dividend 1796042-0 9328935-0

Total dividend 13879042 29749112

 =0.129 =0.314

Dividend cover measures the ability of a company to pay dividend to its stockholders. A low dividend cover indicates that the company is paying out a large proportion of its earnings as dividend, while high ratio indicates that the company has plenty earnings to spare after paying its dividends, therefore Mobil plc has a better dividend cover

1. TOTAL DEBT TO SHAREHOLDERS FUND

Non-current liabilities + current liabilities 954473+41641699 17560262+19327761

 Shareholders fund 18301074 33772775

 =2.32 =1.09

The total debt to shareholders fund shows us the degree to which a company has used debt to finance its assets. The lower the ratio the lower the risk therefore Mobil plc has a better total debt to shareholders ratio compared to connoil

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1. TECHNOLOGY/TELECOMMUNICATONS.

 E-TRANZACT CHAMSPLC

 2018 2018

 ₦’000 ₦’000

1. CURRENT RATIO; current assets 4105003 607801

 Current liabilities 5603715 1478060

 =0.73:1 =0.41:1

Current ratio measures how many times you can cover your current liabilities, it tells investors and analysts how a company can maximize the current assets on the statement of financial position to satisfy its current debt and payables. The above firms have the standard current ratio, but the current ratio of E-tranzact is higher than Chams plc, therefore E-tranzact will be able to cover their current liabilities more than Chams plc.

1. ACID TEST RATIO;

current assets – inventory 4105003-401048 607801-67648

 Current liabilities 5603715 1478060

 =0.66:1 =0.36:1

Acid test ratio measures how many times you can cover your current liabilities without selling any inventory and is a more stringent measure of liquidity.

1. RECEIVABLES COLLECTION PERIOD;

Total receivables 1075193 510446

 × 365 days X365 Days X365 days

 Credit Sales 18621653 584392

 =21days =318 days

The receivables collection period measures the number of days it takes for credit customers to make payment to the company. E-tranzact takes a shorter period of time to collect accounts receivable unlike Chams plc which benefits the firm.

1. PAYABLES PAYMENT PERIOD

 Total payables 5564590 1246204

 × 365 days X365days X365days

Credit purchases 16997019 346230

 =119days =1313days

The payable payment period measures the amount of days which the accounts payables remain unpaid. The payables payment period for E-tranzact has a shorter period of time which means that unlike Chams plc it doesn’t require the pay back fast

1. INVENTORY TURNOVER;

Average inventory 316742 77320

 X 365 days X365days X365days

Cost of sales 16997019 346230

 =7days =82days

For E-tranzact

401048+232436

 2

FOR Chams plc

67648+86992

 2

This ratio expresses how long inventory is kept in store until sale. E-tranzact has a better inventory turnover period because it takes only 7 days while Chams plc has 82 days.

1. RECEIVABLES TURNOVER;

Credit sales 18621653 584392

Total receivables 1075193 510446

 =17.3times =1.14times

 Receivables turnover shows how quick or the amount of times a company collects cash from its receivables. E-tranzact has a better receivables turnover because the amount of times it takes to collect cash is higher than Chams plc.

1. PAYABLES TURNOVER;

Credit purchases 16997019 346230

Total payables 5564590 1246204

 =3.05times =0.28times

 The payable turnover represents the amount of times payable are turnover in a year. The payable turnover of Chams plc is lower than E-tranzact which is better for the firm.

1. INVENTORY TURNOVER;

Cost of sales 16997019 346230

Average inventory 316742 77320

 =54times =4.5times

The higher the inventory turnover the better because it proves that a company is selling goods quickly and that demand for the product exists. In this case E-tranzact has a higher inventory turnover of 54times which is great for the firm.

1. ROCE

Profit 3136413 385796

Capital employed 338684 3727899

 =9.2 =0.10

This is a financial ratio that determines a company’s profitability and how efficiently the capital is applied. A higher ROCE indicates an efficient use of capital which means E-tranzact has used its capital more efficiently.

1. GROSS PROFIT MARGIN

Gross profit 1624634 238162

 X 100% X100% X100%

Sales 18621653 584392

 =9% =41%

the gross profit margin is used to assess a company’s financial health. A high gross profit margin means that the company is managing its cost of sales and also has more to cover for operating, financing and other costs.in the above we see that Chams plc has a higher gross profit margin which mean it manages its cost of sales effectively.

1. NET PROFIT MARGIN

Net profit 3136413 385796

 X 100% X100% X100%

Sales 18621653 584392

 =17% =66%

The net profit margin indicates how much net income a company makes with total sales achieved. A higher net margin means that a company is more efficient at converting sales into actual profit, therefore Chams plc is more efficient in converting sales into actual profit.

1. EARNINGS PER SHARE;

PAT- preference dividend 3136413-0 385796-0

Number of ordinary shares 4200000 4696060

 =N0.74k =N0.08K

EPS indicates how much money a company makes for each share of its stock and is a widely used metric for corporate profit. A higher EPS indicates that investors will pay more for a company with higher profits E-tranzact has a higher EPS in this case

1. P.E/RATIO;

MPS 2.38 0.36

EPS 0.75 0.08

 =3.2times =4.5times

 This ratio shows how much investors are willing to pay per dollar of earnings. A higher P.E/ratio indicates that investors expect higher earnings, therefore E-tranzact P.E/ ratios investors will expect higher earnings. But a high P.E/ratio does not necessarily mean a better investment it could be an indication that stock is overvalued.

1. EARNINGS YIELD;

EPS 0.75 0.08

 X 100% X100% X100%

MPS 2.38 0.36

 =31.5% =22%

Earnings yield is a way to measure returns, and it helps to evaluate whether those returns commensurate with an investments risk. A higher ratio shows that investors are willing to pay a higher share price today because of growth expectations in the future. This means that the investors in E-tranzact are willing and ready to pay higher share price compared to Chams plc.

1. NET ASSETS PER SHARE

Net asset- preference dividend 159667-0 3727899

Number of ordinary shares 4200000 4696060

 =0.04 =0.8

This ratio reflects the total value of the scheme’s investment minus assets and liabilities. A higher net asset per share means that the schemes investment has fared very well. This means that Chams plc which has the higher net asset per share investments scheme has fared quite well compared to E-tranzact.

1. DIVIDEND PAYOUT

DPS 0 0.03

 X100 X100 X100

EPS 0.75 0.08

 =0 =37.5%

The dividend payout ratio measures the percentage of net income that is distributed to shareholders in form of dividend. The dividend payout ratio is not to assess which company is good or bad but to help investors identify what type of returns a company is more likely to offer an investor. A high DPR means the company is reinvesting less into business, that means E-tranzact is reinvesting less into business. A low DPR means you’re reinvesting more money into expanding the business which means Chams plc is reinvesting into business expansion.

1. DIVIDEND YIELD

DPS 0 0.03

 X100% X100% X100%

MPS 2.38 0.36

 =0 =8.3%

This is a financial ratio that shows how much a company pays out in dividend each year relative to its stock price. The higher the dividend yield the more income but also the higher the risk, therefore Chams plc which has a dividend yield of 8.3% is better than E-tranzact

1. DIVIDEND COVER

PAT- preference dividend 3136413-0 385796-0

Total dividend 0 140882

 =0 =2.7

Dividend cover measures the ability of a company to pay dividend to its stockholders. A low dividend cover indicates that the company is paying out a large proportion of its earnings as dividend, while high ratio indicates that the company has plenty earnings to spare after paying its dividends, therefore Chams plc has a better dividend cover.

1. TOTAL DEBT TO SHAREHOLDERS FUND

Non-current liabilities + current liabilities 177017+5630715 1478060+0

 Shareholders fund 159667 3727899

 =36.3 =0.396

The total debt to shareholders fund shows us the degree to which a company has used debt to finance its assets. The lower the ratio the lower the risk therefore Chams plc has a better total debt to shareholders ratio compared to E-tranzact