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DEPARTMENT: ACCOUNTING

MATRIC NO: 17/SMS02/018

COURSE : ACC 302

ASSIGNMENT

CALCULATE THE ACCOUNTING RATIOS OF COMPANIES IN DIFERENT COMPANIES IN VARIOUS SECTORS

NAME OF COMPANIES WORKED ON AND THEIR SECTORS :

1 CONSUMER SERVICES:

ABC TRANSPORT LTD AND UNIVERSITY PRESS PLC

2 HEALTH SECTOR :

GLAXO SMITHKLINE AND MAY & BAKER PLC

3 OIL AND GAS SECTOR :

MOBIL AND OANDO PLC

4 TELECOMMUNICATION SECTOR:

MTN AND CWG PLC

5 INDUSTRIAL SECTOR :

CUTIX AND BETA GLASS PLC

6 BANKING SECTOR:

ECO AND ACCESS BANK PLC:

7 BASIC MATERIAL SECTOR :

BOC GASES NIGERIA PLC AND PORTLAND PAINTS PLC

8 CONSUMER GOODS SECTOR:

NESTLE AND GUINESS NIGERIA PLC

SOLUTION TO ASSIGNMENT

CALCULLATION OF ACCOUNTING RATIOS FOR COMPANIES UNDER CONSUMER SERVICES

ABC TRNSPORT LIMITED AUDITED STATEMENT FOR THE YEAR ENDED 30TH SEPTEMBER 2018

1. GROSS PROFIT PERCENTAGE= GROSS PROFIT \* 100

REVENUE

= 769,112,000 \* 100

4,083,653,000

=18.83%

2 CURRENT RATIO= CURRENT ASSETS

CURRENT LIABILITIES

= 751,579,000

1,392,383,000

= 0.5397:1

3 QUICK/ ACID TEST RATIO =CURRENT ASSETS – INVENTORY

CURRENT LIABILITIES

= 751,579,000-224,394,000

1,392,383,000

=0.3786:1

4 Receivables Collection Period= Average Trade Receivables \* 365 days

Credit Sales

AVERAGE TRADE RECEIVABLES = RECEIVABLES AT BEGINNING + RECEIVABLES AT THE END/2

= 380,328 + 279,637 /2

= 329,982.5

RECEIVABLES COLLECTION PERIOD = 329,982.5/4,083,653 \* 365

= 29.49 DAYS

5 PAYABLES COLLECTION PERIOD=AVERAGE TRADE PAYABLES \* 365 DAYS

CREDIT PURCHASES

AVERAGE TRADE PAYABLES = PAYABLES AT THE BEGINNING + PAYABLES AT THE END /2

= 667,760 + 678,920 / 2

= 673,340

PAYABLES COLLECTION PERIOD = 673,340 / 3,314,542 \* 365 DAYS

= 74.14 DAYS

6 INVENTORY TURNOVER PERIOD= AVERAGE INVENTORY \* 365 DAYS

COST OF SALES

AVERAGE INVENTORY = INVENTORY AT THE BEGINNING + INVENTORY AT THE END/2

= 171,993 + 224,394/2

= 198,463.5

INVENTORY TURNOVER PERIOD = 198,463.5/ 3,314,542 \* 365 DAYS

= 21.85 DAYS

7 RECEIVABLES TURNOVER= CREDIT SALES/AVERAGE RECEIVABLES

= 279,637/ 329,982.5

= 0.8474 TIME

8 PROFITABILITY RATIO= PROFIT

CAPITAL EMPLOYED

CAPITAL EMPLOYED= TOTAL ASSETS- CURRENT LIABILITIES

= 3,330,473-1,392,383

= 1,938,090

PROFITABILITY RATIO = 175,523/ 1,938,090

= 0.0905 : 1

9 GROSS PROFIT PERCENTAGE= GROSS PROFIT/SALES \* 100

= 769,112/4,083,653 \* 100

= 18.83%

10 NET PROFIT PERCENTAGE = NET PROFIT/SALES \* 100

= 175,523/4,083,653 \* 100

= 4.3%

CALCULATION OF ACCOUNTING RATIOS FOR COMPANIES UNDER CONSUMER SERVICES (CONT,D)

UNIVERSITY PRESS PLC FINANCIAL STATEMENTS

1 CURRENT RATIO= CURRENT ASSET

CURRENT LIABILITIES

= 1,898,822

742,124

= 2.56: 1

2 QUICK/ACID TEST RATIO= CURRENT ASSET –INVENTORY

CURRENT LIABILITIES

= 1,898,822-1,231,608

742,124

= 0.8998: 1

3 RECEIVABLES COLLECTION PERIOD= AVERAGE TRADE RECEIVABLES \* 365 DAYS

CREDIT SALES

= 139,914 \* 365 DAYS

1,801,315

=28.35 DAYS

4 PAYABLES PAYOUT PERIOD= AVERAGE TRADE PAYABLES \* 365 DAYS

CREDIT PURCHASES

= 26,244 \* 365 DAYS

686,515

= 13.95 DAYS

5 INVENTORY TURNOVER PERIOD= AVERAGE INVENTORY \* 365 DAYS

COST OF SALES

= 1,231,608 \* 365 DAYS

686,515

= 654.81 DAYS

6 RECEIVABLES TURNOVER= CREDIT SALES/ AVERAGE RECEIVABLES

1,801,315/139,914

= 12.87 TIMES

7 PAYABLES TURNOVER= CREDIT PURCHASES/AVERAGE TRADE PAYABLES

= 686,515/26,244

= 26.15 TIMES

8 INVENTORY TURNOVER= COST OF SALES

AVERAGE INVENTORY

= 686,515

1,231,608

= 0.5574

9 ROCE= PAT/EQUITY

= 207,411/742,124

= 0.2975

10 GROSS PROFIT PERCENTAGE= GROSS PROFIT/SALES \* 100

= 1,114,800/1,801,315 \* 100

= 61.89%

COMPUTATION OF ACCOUNTING RATIOS FOR COMPANIES UNDER HEALTH SECTOR

COMPUTATION OF ACCOUNTING RATIO FOR GLAXOSMITHKLINE PLC FOR THE YEAR ENDED 2018

1 CURRENT RATIO = CURRENT ASSET/ CURRENT LIABILITIES

= 13,338,313/6,941,940

= 1.9214 : 1

2 ACID TEST RATIO= CURRENT ASSET- INVENTORY/ CURRENT LIABILITIES

= 13,338,313- 3,938,707/ 6,941,940

= 1.3540 : 1

3 RECEIVABLES TURNOVER = CREDIT SALES/ AVERAGE TRADE RECEIVABLES

AVERAGE TRADE RECEIVABLES = RECEIVABLES AT THE BEGINNING + RECEIVABLES AT THE END/2

= 5,740,325 + 6,811,164/2

= 6,275,744.5

RECEIVABLES TURNOVER= 5,740,325/6,275,744.5

= 0.9147 TIME

4 PAYABLES TURNOVER = CREDIT PURCHASES/ AVERAGE TRADE PAYABLES

AVERAGE TRADE PAYABLES= PAYABLES AT THE BEGINNING + PAYABLES AT THE END/ 2

6,434,732 + 9,120,596/2

= 7,777,664

PAYABLES TURNOVER = 6,434,732/ 7,777,664

= 0.8373

5 INVENTORY TURNOVER= COST OF SALES/ AVERAGE INVENTORY

AVERAGE INVENTORY = INVENTORY AT THE BEGINNING + INVENTORY AT THE END/2

= 3,368,426 + 3,938,707/2

= 3,653,567

INVENTORY TURNOVER = 11,654,697/3,653,567=3.19 TIMES

6 RECEIVABLES COLLECTION PERIOD= AVERAGE TRADE RECEIVABLES/CREDIT SALES \* 365 DAYS

= 5,740,325/6,275,744.5 \* 365 DAYS

= 333.86 DAYS

7 PAYABLES PAYOUT PERIOD = AVERAGE TRADE PAYABLES/ CREDIT PURCHASES \* 365 DAYS

= 6,434,732/7,777,664 \* 365 DAYS

= 301.97 DAYS

8 INVENTORY TURNOVER PERIOD = AVERAGE INVENTORY/ COST OF SALES \* 365 DAYS

= 3,653,567/ 11,654,697 \* 365 DAYS

= 114.42 DAYS

9 GROSS PROFIT PERCENTAGE = GROSS PROFIT/ REVENUE \* 100

= 6,756,798/ 18,411,475 \* 100

= 35.72%

10 NET PROFIT PERCENTAGE = NET PROFIT/REVENUE \* 100

= 618,639/ 18,411,475 \* 100

= 3.36 %

COMPUTATION OF ACCOUNTING RATIOS FOR COMPANIES UNDER HEALTH SECTOR CONT`D

COMPUTATION OF ACCOUNTING RATIO FOR MAY AND BAKER NIGERIA PLC FOR THE YEAR ENDED 2018

1 CURRENT RATIO = CURRENT ASSETS/ CURRENT LIABILITIES

= 3,542,877/ 3,123,863

= 1.13 : 1

2 ACID TEST RATIO = CURRENT ASSET – INVETORY/ CURRENT LIABILITIES

= 3,542,877 – 1,238,994 / 4,976,598

= 0.46 : 1

3 RECEIVABLES TURNOVER = CREDIT SALES / AVERAGE TRADE RECEIVABLES

AVERAGE TRADE RECEIVABLES = RECEIVABLES AT THE BEGINNING + RECEIVABLES AT THE END/ 2

= 2,069,007 + 1,562,398 /2

= 1,815,703

RECEIVABLES TURNOVER= 2,069,007/1,815,703

= 1.14 TIME

4 PAYABLES TURNOVER = CREDIT PURCHASES/ AVERAGE TRADE PAYABLES

AVERGAE TRADE PAYABLES = PAYABLES AT THE BEGINNING + PAYABLES AT THE END/2

1,040,990 + 1,089,298/2

= 1,065,144

PAYABLES TURNOVER = 1,040,990/1,065,144

= 0.98 TIME

5 INVENTORY TURNOVER = COST OF SALES/ AVERAGE INVENTORY

AVERAGE INVENTORY = INVENTORY AT THE BEGININNG + INVENTORY AT THE END/2

= 1,455,696 + 1,238,944/2

= 1,347,320

INVENTORY TURNOVER= 4,384,639/1,347,320

= 3.25 TIMES

6 RECEIVABLES COLLECTION PERIOD= AVERAGE TRADE RECEIVABLES/CREDIT SALES \* 365 DAYS

= 1,815,703/2,069,007 \* 365 DAYS

= 320.31 DAYS

7 PAYABLES PAYMENT PERIOD = AVERAGE TRADE PAYABLES/ CREDIT PURCHASES \* 365 DAYS

= 1,065,144/ 1,040,990 \* 365 DAYS

= 373.41 DAYS

8 INVENTORY TURNOVER PERIOD = AVERAGE INVENTORY /COST OF SALES \* 365 DAYS

= 1,347,320/ 4,389,639 \* 365

= 112.03 DAYS

9 GROSS PROFIT PERCENTAGE = GROSS PROFIT/ SALES \* 100

= 763,005 / 6,899,496 \* 100

= 11.05%

10 NET PROFIT PERCENTAGE = NET PROFIT / SALES \* 100

= 93,165/6,899,496 \* 100

= 1.35%

**COMPUTATION OF ACCOUNTING RATIOS FOR COMPANIES UNDER OIL AND GAS SECTOR**

THE ACCOUNTING RATIOS OF MOBIL OIL NIG PLC 2018

1. SHORT TERM SOLVENCY RATIOS
2. Current ratios

= current assets

Current liabilities

34,183,632

19,327,761 =1.77:1

1. Acid test ratios

Current assets - inventory

Current liabilities

34,183,632-17,918,599

19,327,761 =0.84:1

1. Receivable collection period

Average trade receivable x 365days

Credit sales

11,513,890 x 365 days

164,609,535

=25days

1. Payables payment period

Average trade payable x 365 days

Credit payables

8,212,101 x 365days

148,015,916

= 20days

1. Inventory turnover period

Average inventory x 365 days

Cost of sales

8,959,210 x 365 days

148,015,916

= 22 days

1. Receivable turn over

Credit sales

Average receivables

164,609,535

11,513,890

= 14times

1. Payables turn over

Credit purchases

Average payables

148,015,916

8,212,101

=18times

1. Inventory turn over

Cost of sales

Average inventory

148,015,916

8,959,210

= 16times

1. PROFITABILITY RATIO
2. Gross profit margin

Gross profit x 100

Sales

16,593,619 x 100

164,609,535

=10%

1. ROCE

PBIT

Capital employed

13,695,459

33,772,775

=0.41

1. Net Profit Margin= Net profit/Sales x100%

9,328,935/164,609,535 x100%=6%

1. Expenses Percentage= Individual Expense/Total Expense X100%

Selling and Distribution expense= 6,924,989/16,385,147 x100%=42%

Administration Expense= 5,024,634/16,385,147 x100%=30%

Other operating Expense= 28,368/16,385,147 x100%=0.17%

Income Tax Expense= 4,366,524/16,385,147 x100%=27%

1. Expenses to Sales= Individual Expense/ Sales X100%

Selling and Distribution expense=6,924,989/164,609,535 x100%=4%

Administration Expense

=5,024,634/164,609,535 x100%=3%

Other operating Expense

=28,368/164,609,535 x100%=0.017

Income Tax Expense

=4,366,524/164,609,535 x100%=2%

1. INVESTORS RATIO
2. Earnings per share= PAT-preference dividend/ No ordinary share in Issue=9,328,935/360, 595,261= 2587kobo

Price earnings ratio

MPs

Eps

147.9

25.87

=**6years**

1. Earning yield

Eps

MPs x100%

25.87

147.9x 100

=17%

1. Net Asset Per Share= Net asset –Preference shares/ NO of ordinary shares in issue= 70,660,798/360, 595,261=₦0.2
2. Dividend per share= Gross dividend/ No of ordinary shares in issue=180,297,630/360, 595,261= ₦0.5
3. Dividend pay-out= Dps/Eps x 100%=

50/2587 x100%=2%

1. Dividend Yield=Dps/mps x100%

= 0.5/147.9 x100%=0.34%

1. Dividend Covered= Eps/Dps

=2587/50=52times

1. Long term solvency ratio
2. Gearing ratio= Debt/Equity=36,888,023/33,772,775=1
3. Total Debt To Equity= Noncurrent liabilities+ Current liabilities/ Equity= 19,327,761+17,560,262/ 33,772,775= 1
4. Fixed interest Covered= PBIT/ Finance cost= 13,695,459/28,368=483times

THE ACCOUNTING RATIOS FOR OANDO FINANCIAL STATEMENT AS AT 31 DECEMBER 2018

1. SHORT TERM SOLVENCY
2. Current ratios

130,118,542

448,602,832

=0.29:1

1. Quick assets ratio

130,118,542-28,392,500

227,409,609

=:0.2:1

1. Receivables collection period

84,791,443 x 365days

679,465,339

=45days

1. Payables payment period

265,417,181 x 365days

583,191,386

=0.45x365

=166days

1. Inventory turnover period

14,196,250 x 365 days

583,191,386

= 9 days

1. Receivable turn over

679,465,339

84,791,443

=8times

1. Payables turnover

583,191,386

265,417,181

=2times

1. Inventory turnover

583,191,386

29,392500

=19times

PROFITABILITY

1. Gross profit margin

96,273,953 x 100

679,465,339

=14%

1. ROCE

96,273,953

277,116,711

=0.35

1. Net profit Margin= Net profit/Sales x100%

(18,321,877)/488,518,160 x100 %=( 4%)

1. Expenses Percentage= Individual Expense/Total Expense X100%

Administrative Expense= 10,939,966/29,148,939 x100%=38%

Finance Cost= 17,582,406/29,148,939 x100%=60%

Income Tax Expense = 626,567/29,148,939 x100%=2%

1. Expenses to Sales= Individual Expense/ Sales X100%

Administrative Expense= 10,939,966/488,518,160 x100%=2%

Finance Cost= 17,582,406/488,518,160 x100%=4%

Income Tax Expense = 626,567/488,518,160 x100%=0.13%

INVESTORS RATIO

1. Eps = PAT-preference dividend/ No ordinary share in issue= 24,432,941/ 12,431,412= 197kobo
2. Price earnings ratio=MPS/EPS = 3.89/1.97=**2years**
3. Earning yield

1.97

3.89 x100%

=5%

1. Net Asset Per Share= Net asset –Preference shares/ NO of ordinary shares in issue =236,366,708/12,431,412=₦19
2. Dividend per share= Gross dividend/ No of ordinary shares in issue=6,215,706/12,431,412=₦0.5
3. Dividend pay-out= Dps/Eps x 100%= 50/197 x100%=25%
4. Dividend Yield=Dps/mps x100%= 0.5/3.89 x100%=13%
5. Dividend Covered= Eps/Dps= 197/50=4times

Long term solvency ratio

1. Gearing ratio= Debt/Equity=69,856,667/60,899,568=1.1
2. Total Debt To Equity= Noncurrent liabilities+ Current liabilities/ Equity=297,266,276/60,899,568=5
3. Fixed interest Covered= PBIT/ Finance cost= 17,695,310/17,582,406= 1

**B. COMPUTATION OF RATIOS FOR COMPANIES UNDER TELECOMMUNICATION SECTOR**

THE RATIO COMPUTATION FOR MTN ANNUAL FINANCIAL POSITION

SHORT TERM SOLVENCY RATIO

A) Current ratio =

58,038,000

72,570,000

=0.8

=1:1

B) ACID TEST RATIO =

58,038,000-2,995,000

72,570,000

=0.75:1

C) RECEIVABLE COLLECTION PERIOD =

26,669,000 x365

134,560,000

=72days

D) PAYABLE PAYMENT PERIOD =

48,354,000 x 365days

25,370,000

=696days

(E)Receivable turnover =

134,560,000

26,669,000

=5times

(F) Payables turnover =

25,370,000

48,354,000

=1times

(G) Inventory turnover =

25,370,000

2,995,000

=8times

PROFITABILITY RATIO

(H) ROCE =

15,008,000 x 100

88,226,000

=17%

(I) Expenses Percentage

Finance Cost=404,000,000/625,000,000 x100%=65%

Operating Expense=266,000,000/625,000,000 x100%=43%

Income Tax Expense=15,000,000/625,000,000 x100%=2%

Long Term Solvency Ratio

(J) Gearing ratio=2,866,000/21,490,000=0.13

(k) Total Debt to Equity= 2,866,000/21,490,000=0.13

(L) Fixed Interest Covered=11,972,000/404,000,000=0.03times

COMPUTATION OF ACCOUNTING RATIOS FOR CWG PLC

A1. Short term/Liquidity Ratios

Current Ratio=Current Assets/Current Liabilities

9,101,267 /9,678,743 =0.94:1

2 Acid test ratio= Current Assets-inventory/Current Liabilities

9,101267-1,609,651/9,678,743=0.77:1

3 Receivable Collection Period= Average Receivables/ Credit sales x 365days =

6,818,379/ 6,018,112 x365days=413days

4 Payables Payment Period= Average Payables/ Cost of Sales x 365days=

8,044,841/ 4,641,243 x365days=632days

5 Inventory turnover Period= Average Inventory/ Cost of Sales x 365dayS = 1,609,651/ 4,641,243 x365days=127days

6 Receivable Turnover= Credit Sales/ Average Receivables=

6,018,112/6,818,379=0.88times

7 Payables Turnover= Cost of Sales/Average payables=

4,641,243 / 8,044,841=0.58times

8 Inventory Turnover= Cost of Sales/Average Inventory =

4,641,243/1,609,651=3times

B1. Efficiency/Profitability Ratios

ROCE= PBIT/Capital Employed x100%

Capital Employed= Total Asset-Current Liabilities=

(1,189,251)/290,531=(4.1)

2 Gross Profit Margin= Gross profit/Sales x 100% 1,376,869/ 6,018,112 x100%=23%

3 Net Profit Margin= Net profit/Sales x100% (1,227,565)/ 6,018,112 x100 %= (20%)

4 Expense Percentage= Individual Expense/ Total Expense x 100%

Selling and Distribution expenses

Administration Expense

Other Expense

Foreign exchange loss

Finance Cost

Income Tax Expense

2,906,239 / 2,994,748 x100%=97%

50,195/ 2,994,748 x100%=2%

38,314/ 2,994,748 x100%=1%

5 Expense to Sales= Individual expense/ Sales x 100%

Selling and Distribution expenses

Administration Expense

Other Expense

Foreign exchange loss

Finance Cost

Income Tax Expense

2,906,239/ 6,018,112x100%=48%

50,195/6,018,112x100%=1%

38,314/6,018,112x100%=0.6%

C1 Investors/Shareholder Ratios

EPS= PAT-Preference dividend/ No of Ordinary Shares x 100=

(1,227,565)/2,524,826 x100=(49kobo)

2 Price Earnings Ratio= MPS/EPS =

2.54/ 0.49=5years

3 Earning Yield=EPS/MPS x 100% =

(0.49)/2.54 x100 %=( 19%)

4 Net Asset per Share=Net Asset- Preference share/ No of Ordinary Shares= 9,969,274/2,524,826=₦4

5 Dividend Per Share=Gross Dividend/No of Ordinary Shares=

1,262,413/ 2,524,826=50kobo

6 Dividend Payout Ratio=DPS/EPS x100%

(50) / (49)x100% =(102%)

7 Dividend Yield=DPS/MPSX100%=

0.5 / 2.54 x100%=20%

8 Dividend Covered= EPS/DPS=

49 / 50=0.98times

D Long Term Solvency Ratios

1. Gearing Ratio=Debt/Equity =

=9,685,593/283,681=34

2 Total Debt to Shareholder Fund=Non-Current liabilities+ Current liabilities/Equity = 6,850+9,678,743/283,681=34

CALCULATION OF ACCOUNTING RATIOS FOR COMPANIES IN THE INDUSTRIAL SECTOR

CUTIX PLC

**Short term/liquidity ratios**

Current ratio=Current Assets/Current liabilities

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

=1.44:1

Acid test ratio=current assets- inventory/current liabilities

= 2,836,262─1,317958/1,536,970

= 0.98:1

Receivable collection period= average trade receivables/credit sales×365 days

= 525,058/5057,374×365 days

=0.10days

Payables payment period=Average trade payables/cost of sales × 365 days

= 499,300/ 3,536,685 ×365 days

=0.14days

Inventory turnover period= average inventory/cost of sales×365 days

= 1,317,958/3,536,685× 365 days

=0.37days

Receivable turnover =credit sales/average receivables

= 5,057,374/525,058

=9 times

Payables turnover=cost of sales/ average payables

= 3,536,658/ 499,300

=7 times

Inventory turnover =cost of sales/average inventory

= 3,536,658/1,317,958

=2.6 times

EFFICIENCY/PROFITABILITY RATIOS

* ROCE= PBIT/capital employed×100%

= 799,070/1,476,749×100%

=0.54%

Capital employed=total asset-current liabilities

= 2,836,262─1,359,513

=1,476,749

Gross profit margin= gross profit/sales×100%

= 1,520,689/3,536,685×100%

=0.4%

Net profit margin=net profit/sales×100%

= 440,295/3,536,685×100%

=0.12%

* Expense percentage= individual expense/total expense ×100%

= 221,268/799,070×100%

=0.27%

* selling and distribution expenses

= 142,212/5,057,375×100%

=0.02%

* administration expenses

= 613,304/799070×100%

=0.76%

* Impairment loss
* 85,887/5,057,375×100%
* =12.0%

INVESTORS/ SHAREHOLDERS RATIOS

EPS=PAT- Preference dividend/ No of ordinary shares×100%

=50kobo

Price earnings ratio=MPS/EPS

= 1.47/50

=9years

Earnings yield= EPS/MPS×100%

= 50/1.47

= 34.0%

Net asset per share=net asset-preference share/No of ordinary share

= 2,836,262─104,356/1,435,802

=₦1.9

Dividend per share =gross dividend /No of ordinary share

= 18kobo

Dividend payout ratio=DPS/EPS×100%

= 18/50×100%

=0.36%

Dividend yield=DPS/MPS×100%

= 18/1.47

=12%

Dividend covered=EPS/DPS

= 50/18=2.7 times

LONG TERM SOLVENCY RATIOS

* Gearing Ratio=debt/ equity

= 177457/1,299,292

=0.13

Fixed interest cover=profit before interest& tax/fixed interest

= 799,070/137,507

= 5.8

Total debt to shareholder fund= noncurrent liabilities +current liabilities/equity

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

=1.18

CALCULATION OF ACCOUNTING RATIOS FOR BETA GLASS PLC

**Short term/liquidity ratios**

Current ratio=Current Assets/Current liabilities

= 28,550,830/13,723,312

=2.08:1

Acid test ratio=current assets- inventory/current liabilities

= 28,550,830─6,239,740/1,359,513

=16.4:1

Receivable collection period= average trade receivables/credit sales×365 days

= 13,438,292/26,321,014×365days

=0.51days

Payables payment period=Average trade payables/cost of sales × 365 days

= 11,598,037/19,940,375×365 days

=0.58days

Inventory turnover period= average inventory/cost of sales×365 days

= 6,239,740/19,940,375×365days

=0.31days

Receivable turnover = credit sales/average receivables

= 26,321,014/13,438,292

=1.9 times

Payables turnover=cost of sales/ average payables

= 19,940,375/11,598,037

=1.7 times

Inventory turnover =cost of sales/average inventory

= 19,940,375/6,239,740

=3.1 times

EFFICIENCY/PROFITABILITY RATIOS

* ROCE= PBIT/capital employed×100%

= 7,188,181/32356317×100%

=0.22%

Capital employed= total asset-current liabilities

= 46,079,629─13,723,312

=32356317

Gross profit margin= gross profit/sales×100%

= 6,380,639/19,940,375×100%

=0.3%

Net profit margin=net profit/sales×100%

= 5,052,805/19,940,375×100%

=0.25%

Expense percentage= individual expense/total expense ×100%

= 839,368/5,893,657×100%

=0.14%

* selling and distribution expenses

= 81,161//19,940,375×100%

= 0.40%

* administration expenses

= 1,245,189/5,893,657×100%

=0.25%

* Impairment loss

= 135,430/5,893,657×100%

=1.4%

INVESTOR/SHAREHOLDERS RATIO

EPS=PAT- Preference dividend/ No of ordinary shares×100%

=10.11kobo

Price earnings ratio=MPS/EPS

= 53.8/10.11

=5 years

Earnings yield =EPS/MPS×100%

= 10.11/53.8

= 0.18%

Net asset per share=net asset-preference share/No of ordinary share

= 46,079,629─312,847/499,972

=₦91

Dividend per share =gross dividend /No of ordinary share

= 1.07kobo

Dividend payout ratio=DPS/EPS×100%

= 1.07/10.11×100%

=0.10%

Dividend yield=DPS/MPS×100%

= 1.07/53.8×100%

=0.01%

Dividend covered =EPS/DPS

= 10.11/1.07

=9.4 times

LONG TERM SOLVENCY RATIOS

* Gearing Ratio=debt/ equity

= 3,389/29,627,573

=1.14

Fixed interest cover=profit before interest& tax/fixed interest

= 7,188,181/1,405,030

=5.11

Total debt to shareholder fund= non current liabilities +current liabilities/equity

= 2,728,744+13,723,312/29,627,573

=0.55

COMPUTATION OF ACOUNTING RATIOS FOR COMPANIES UNDER THE BANKING SECTOR

ECO BANK PLC

SHORT TERM/LIQUIDITY RATIO

1. Current ratio=Current Assets/Current liabilities

= 8,191,180,711/7,520,990,240

=1.18:1

1. Acid test ratio=current assets- inventory/current liabilities

= 8,191,180,711─2,797,417/7,520,990,240

=1.08:1

EFFICIENCY / PROFITABILITY RATIO :

1. ROCE= PBIT/capital employed

Capital employed=total asset-current liabilities

218,360,082/1.840,272

=1.18

22,492,121─20,651,849

=1840272

1. Income tax expense =112,831

INVESTOR/SHAREHOLDERS RATIO

1. EPS=PAT- Preference dividend/ No of ordinary shares×100%

= 1.06kobo

1. Price earnings ratio=MPS/EPS

= 7.05/1.06

=7days

3) Earnings yield =EPS/MPS×100%

= 1.06/7.05

=0.15%

4) Net asset per share=net asset-preference share/No of ordinary share

=22,582,196/2,113,957=₦10

5) Dividend Per Share = 61.5 kobo

6) Dividend payout ratio=DPS/EPS×100%

=61.5/1.06×100%

=58%

7) Dividend yield= DPS/MPS×100%

= 61.5/7.05×100

=8%

8) Dividend covered= EPS/DPS

= 1.06/61.5

=0.02times

LONG TERM SOLVENCY RATIOS

1. Gearing Ratio=debt/ equity

= 702,404/1,812,491

=0.38

1. Fixed interest cover=profit before interest& tax/fixed interest

= 435,977/1,528,410

=0.28

1. Total debt to shareholder fund= noncurrent liabilities +current liabilities/equity

= 275,539+20,651,849/1,812,491

=11.5

COMPUTATION OF ACCOUNTING RATIOS FOR ACCESS BANK PLC

SHORT TERM LIQUIDITY RATIOS

Current ratio=Current Assets/Current liabilities

= 3,955,872785/3,527,314,852

=1.12:1

Acid test ratio=current assets- inventory/current liabilities

= 3,955,872,785─1,681,761,862/3,527,314,852

=0.64:1

EFFICIENCY OR PROFITABILITY RATIOS

* ROCE= PBIT/capital employed

Capital employed=total asset-current liabilities.

=75,248,146/440,799,757

=0.17

=3,968,114,609─3,527,314,852

=440,799.757

Income tax expense= 1,651,851

INVESTOR/SHAREHOLDERS RATIO

EPS=PAT- Preference dividend/ No of ordinary shares×100%

= 331kobo

Price earnings ratio=MPS/EPS

= 10.05/331’

=0.03days

Earnings yield =EPS/MPS×100%

= 331/10.05

=32%

Dividend Per Share = Gross Dividend/ No of Ordinary Shares

= 25.0kobo

Dividend payout ratio=DPS/EPS×100%

=25.0/331

=0.07%

Dividend yield=DPS/MPS×100%

=25.0/10.05×100%

=2%

Dividend covered=EPS/DPS

=331/25.0

=13times

LONG TERM SOLVENCY RATIO

1. Fixed interest cover=profit before interest& tax/fixed interest

=75,248,146/128,216,746=0.58

2 Total debt to shareholder fund= noncurrent liabilities +current liabilities/equity

= 7,870,360+3,527,314,852/440,799,757

=8.02

CALCULATION OF ACCOUNTING RATIOS FOR COMPANIES IN THE BASIC MATERIAL SECTOR

BOC GASES NIGERIA PLC

1 CURRENT RATIO= CURRENT ASSETS/CURRENT LIABILITIES

= 2,119,056/1,298,954

= 1.63: 1

1. ACID TEST RATIO= CURRENT ASSET-INVENTORY/CURRENT LIABILITIES

= 2,119,056-156,404/1,298,954

= 1.51:1

1. RECEIVABLES COLLECTION PERIOD= AVERAGE TRADE RECEIVABLES/CREDIT SALES \* 365 DAYS

AVERAGE TRADE RECEIVABLES = RECEIVABLES AT THE BEGINNING + RECEIVABLES AT THE END/2

= 541,143+425,776/2

= 483,460

RECEIVABLES COLLECTION PERIOD= 483,460/425,776 \* 365 DAYS

= 414.44 DAYS

1. PAYABLES PAYMENT PERIOD = AVERAGE TRADE PAYABLES/CREDIT PURCHASES \* 365 DAYS

AVERAGE TRADE PAYABLES= PAYABLES AT THE BEGINNING + PAYABLES AT THE END /2

= 1,161,789+ 1,026,198/2

= 1,093,994

PAYABLES PAYMENT PERIOD= 1,093,994/1,026,198 \* 365 DAYS

= 389.11 DAYS

1. INVENTORY TURNOVER PERIOD= AVERAGE INVENTORY/ COST OF SALES \* 365 DAYS

AVERAGE INVENTORY= INVENTORY AT THE BEGINNING + INVENTORY AT THE END/2

= 172,274+156,404/2

= 164,339

INVENTORY TURNOVER = 164,339/1,425,662\* 365 DAYS

= 42.07 DAYS

1. RECEIVABLES TURNOVER= CREDIT SALES/AVERAGE RECEIVABLES

AVERAGE RECEIVABLES= 483,460

RECEIVABLES TURNOVER= 425,776/483,460

, = 0.8807 TIME

1. PAYABLES TURNOVER= CREDIT PURCHASES / AVERAGE PAYABLES

AVERAGE PAYABLES= 1,093,994

PAYABLES TURNOVER= 1,026,998/1,093,994

= 0.9388 TIME

1. INVENTORY TURNOVER= COST OF SALES/AVERAGE INVENTORY

AVERAGE INVENTORY= 164,339

INVENTORY TURNOVER= 1,425,662/164,339

= 8.675 TIMES

1. GROSS PROFIT PERCENTAGE= GROSS PROFIT/SALES \* 100

= 1,444,051/2,869,713 \* 100

= 50.32%

1. NET PROFIT PERCENTAGE= NET PROFIT/SALES\* 100

= 357,604/2,869,713 \* 100

= 12.46%

COMPUTATION OF ACCOUNTING RATIOS FOR PORTLAND PAINTS UNDER THE BASIC MATERIAL SECTOR

1 CURRENT RATIO = CURRENT ASSET/CURRENT LIABILITIES

= 1,718,570/700,439

= 2.45:1

1. ACID TEST RATIO= CURRENT ASSET-INVENTORY/CURRENT LIABILITIES

= 1,718,570-728,047/700,439

= 1.41 : 1

1. RECEIVABLES COLLECTION PERIOD= AVERAGE TRADE RECEIVABLES/ CREDIT SALES \* 365 DAYS

AVERAGE TRADE RECEIVABLES = RECEIVALES AT BEGINNING + RECEIVABLES AT END/2

= 406,813+ 476,180/2

= 441,496.5

RECEIVABLES COLLECTION PERIOD= 441,496.5/476,180\* 365 DAYS

= 338.41 DAYS

1. PAYABLES PAYMENT PERIOD =AVERAGE TRADE PAYABLES/CREDIT PURCHASES \* 365 DAYS

AVERAGE TRADE PAYABLES = PAYABLES AT THE BEGINNING + PAYABLES AT THE END/2

= 497,755+501,998/2

= 499,876.5

PAYABLES PAYMENT PERIOD= 499,876.5/501,988 \* 365 DAYS

= 363.46 DAYS

1. INVENTORY TURNOVER PERIOD= AVERAGE TRADE INVENTORY/ COST OF SALES \* 365 DAYS

AVERAGE TRADE INVENTORY = INVENTORY AT THE BEGINNING + INVENTORY AT THE END/2

= 900,430+728,047/2

= 814,238.5

INVENTORY TURNOVER PERIOD= 814,238.5/1,753,972 \* 365 DAYS

= 169.44DAYS

1. RECEIVABLES TURNOVER= CREDIT SALES/AVERAGE RECEIVABLES

AVERAGE RECEIVABLES= 441,496.5

RECEIVABLES TURNOVER= 476,180/441,496.5

= 1.079 TIME

1. PAYABLES TURNOVER= CREDIT PURCHASES/ AVERAGE TRADE PAYABLES \* 365 DAYS

AVERAGE TRADE PAYABLES= 499,876.5

PAYABLES TURNOVER= 501,998/499,876.5 = 1.004 TIME

1. INVENTORY TURNOVER= COST OF SALES/ AVERAGE INVENTORY

AVERAGE INVENTORY = 814,238.5

INVENTORY TURNOVER= 1,753,972/814,238.5

= 2.15 TIMES

1. GROSS PROFIT PERCENTAGE= GROSS PROFIT/SALES \* 100

= 1,075,290/2,829,262 \*100

= 38.00 %

1. NET PROFIT PERCENTAGE= NET PROFIT/SALES \* 100

= 206,693/ 2,829,262 \* 100

= 7.31%

COMPUTATION OF ACCOUNTING RATIOS FOR COMPANIES UNDER THE CONSUMER GOODS

NESTLE NIGERIAN PLC

1. SHORT TERM SOLVENCY LIQUIDITY RATIO

CURRENT RATIO= CURRENT ASSETS/CURRENT LIABILITIES

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

= 0.9:1

1. QUICK ASSET RATIO= CURRENT ASSET- INVENTORY/CURRENT LIABILITIES

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

= 0.6: 1

1. RECEIVABLES COLLECTION PERIOD= 36,802,756/266,274,621 \* 365

= 50.4 DAYS

1. PAYABLES PAYMENT PERIOD= 53,026,408.5/152,354,445 \* 365

= 127 DAYS

1. INVENTORY TURNOVER PERIOD= 23,517,161.5/152,354,445 \* 365

= 56.3 DAY

1. RECEIVABLES TURNOVER= 266,274,621/36,802,756

= 7.2 TIMES

1. PAYABLES TURNOVER= 152,352,445/23,517,161.5

= 6.5 TIMES

1. ROCE = 43,008,026/70,216,941

= 0.61

1. GROSS PROFIT PERCENTAGE= 113,920,176/266,274,621 \* 100

= 42.8%

1. NET PROFIT PERCENTAGE= 43,008,026/266,274,621 \* 100’

= 16.2%

COMPUTATION OF ACCOUNTING RATIS FOR COMPANIES UNDER CONSUMER GOODS CONT`D

GUINESS NIGERIA PLC

1 CURRENT RATIO= CURRENT ASSET/CURRENT LIABILITIES

= 54,610,047/42,487,115

= 1.29: 1

2 ACID TEST RATIO = CURRENT ASSET- INVENTORY/ CURRENT LIABILITIES

= 54,610,047-19,032,362/42,487,115

= 0.84 : 1

3 RECEIVABLES COLLECTION PERIOD = AVERAGE TRADE RECEIVABLES/ CREDIT SALES \* 365 DAYS

AVERAGE TRADE PAYABLES= RECEIVABLES AT THE BEGINNING + RECEIVABLES AT THE END/2

= 22,966,508 + 23,890,304/2

= 23,473,406

4 PAYABLES PAYMENT PERIOD= AVERAGE TRADE PAYABLES/CREDIT PURCHASES \* 365 DAYS

AVERAGE TRADE PAYABLES = PAYABLES AT THE BEGINNING + PAYABLES AT THE END/2

= 43,052,618 + 31,175,725/2

= 37,114,171.5

5 INVENTORY TURNOVER PERIOD= AVERAGE INVENTORY/ COST OF SALES \* 365 DAYS

AVERAGE INVENTORY = INVENTORY AT THE BEGINNING + INVENTORY AT THE END / 2

= 23,094,999 + 19,032,362/2

= 10,563,681

INVENTORY TURNOVER PERIOD = 10,563,681/94,350,387 \* 365 DAYS

= 40.87 DAYS

6 RECEIVABLES TURNOVER = CREDIT SALES/ AVERAGE RECEIVABLES

= 23,890,304/23,473,406

= 1.02 TIME(S)

7 PAYABLES TURNOVER = CREDIT PURCHASES / AVERAGE PAYABLES

= 31,175,725/ 37,114,171.5

8 INVENTORY TURNOVER= COST OF SALES/AVERAGE INVENTORY

=94,350,387/ 10,563,381

= 8.93 TIMES

9 GROSS PROFIT PERCENTAGE= GROSS PROFIT/SALES \* 100

= 48,625,405/142,975,792 \* 100

= 34.00%

10 NET PROFIT PERCENTAGE = NET PROFIT/ SALES \* 100

= 6,717,605/142,975,972 \* 100

= 4.70 %