NAME: - INYANG FAVOUR INYANG

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TITLE OF TERM PAPER: - ACCOUNTING RATIOS AND INTERPRETATIONS

NAMES OF THE COMPANIES: -

INDUSTRIAL: -

1)JULIUS BERGER

2)BETA GLASS

TELECOMMUNICATION: -

1)MTN PLC

2)AIRTEL PLC

CONUMER SERVICES: -

1)TRANSCORP HOTELS

2)IKEJA HOTELS

FINANCIAL INSITUTIONS: -

1)UNION BANK

2)FIDELITY BANK

CONSUMER PRODUCTION: -

1)HONEY WELL FLOUR MILLS

2)NESTLE PLC

BASIC MATERIAL: -

1)BOC GASES

2)PORTLAND PAINTS

HEALTH CARE: -

1)MAY BAKER

2)GLAXOSMITH

OIL AND GAS: -

1)CONOIL

2)FORTE OIL

INDUSTRIAL COMPANIES

Financial interpretations for Julius berger plc 2018

1)LIQUIDTITY RATIO: -

- CURRENT RATIO = $\frac{\text{current assets}}{\text{Current liabilities}}$

  $=\frac{125,039,446}{73,196,234}$

  =1.71:1

  =1

- Quick asset = $\frac{\text{current assets -inventory}}{\text{Current liabilities}}$

  $=\frac{125,039,449 - 11,304,296}{73,196,234}$

  =1.61:1

  =1

- receivables collection period = $\frac{\text{average trade receivables}}{\text{Credit sales}} \times 365$ days

  $=\frac{91,108,522}{170,326,746} \times 365\text{days}$

  =1.95.1

  =1

- payable payment period = $\frac{\text{average trade payable}}{\text{credit purchases}} \times 365\text{days}$

  $=\frac{8,471,491}{132,254,711} \times 365$

  =132,254,711

  =1

- inventory turnover period= $\frac{\text{average turnover}}{\text{cost of sales}}$ x365 days

  $=\frac{11,304,296}{132,254,711} \times 365$

  =31,19:2

- receivables turnover = $\frac{\text{credit sales}}{\text{average receivables}}$

  $=\frac{170,326,746}{65,128,223}$

  =2.62.1

  =1

- payable turnover= $\frac{\text{credit purchases}}{\text{average payables}}$

=132,254,711
45,841,795
=2.88:1

- inventory turnover=cost of sales

average inventory
=132,254,711
11,304,296
=11.69:2

Beta glass plc 2018

Financial interpretation

1)current ratio =current assets
Current liability
=28,550,830
13,723312
=2.08:0

2)quick asset ratio=current ratio -inventory
Current liability
=28,550,830-6,239,740
13,723,312
=2.86:1

- 3)receivable collection period= average trade receivables × 365 days

Credit sales
=6,239,740-13,438,292 ×365
26,321,014
=1.87:1

- 4)payable payment period= average trade payable ×365days

credit purchases
= 5,282,430+11,598,037/2 *365
19,940,375

=2.03:1

- 5) inventory turnover period= average inventory x365 days

cost of sales
=5,025,216+6,239,740/2 ×365

19,940,014
=1.49:0

- 6) receivables turnover = credit sales

average receivables

=26,321,014
14,377,983+13,438,292
=0.80:0

- 7) payable turnover=credit purchases
average payables
=19,940,375
5,282,430+11,598,037/2
=1.10:0

8) inventory turnover=cost of sales
average inventory
= 19,940,014
5,025,216+6,239,740/2
=8145086
=8.15:1

9) return on capital employed= PAT-PREFERENCE DIVIDEND
ORDIDNARY SHAREHOLDERS
=7,188,181

10)gross profit percentage =gross profit x 100
Sales
=6,380,639 *100
26,321,014
=24.24%

11)net profit percentage=net profit *100
Sales
=5,052,805*100
26321014
=1.92:0

FINANCIAL INTERPRETATIONS

1)The **current ratio** is a liquidity **ratio** that measures a company's ability to pay short-term obligations or those due within one year. Beta glass is higher than Julius Berger because they gained a lot. 2.08:1the company is in its best situation as it has twice the amount of its liabilities.

2)quick asset ratio the total amount of **quick assets** is used in the **quick ratio**, sometimes referred to as the acid test, which is a financial **ratio** that divides the sum of a company's cash and equivalents, marketable securities, and accounts receivable by its current liabilities.bat glass is companies cash equivalent is higher than Julius Berger. Its shows that 2.86:1 the company has twice as much to manage its liabilities

3) The **receivables collection period** measures the number of days it takes, on average, to **collect** accounts **receivable** based on the average balance in accounts **receivable**. Beta glass

average receivables is higher than Julius. That 1.95:1 has enough to manage its liabilities for that year.

4) Accounts **payable payment period** measures the average number of days it takes an entity to **pay** its suppliers. Beta glass paid its suppliers other than Julius.it shows that beta glass had twice the amount enough to pay its suppliers for the year.

5) **Inventory turnover** is a **ratio** showing how many times a company has sold and replaced **inventory** during a given period. Julius Berger is higher than beta glass. cause it had sold a lot and replaced its inventories during the long run.

6) **Return on capital employed** (ROCE) is a financial ratio that measures a company's profitability and the efficiency with which its **capital** is used. Beta glass is profitable than Julius Berger.

7)gross profit for beta glass is higher than Julius Berger.

8)net profit for beta glass was higher at the end of the day other than Julius Berger.

Sector 2 (telecommunication)

Company: MTN

1) current ratio = $\frac{\text{current assets}}{\text{Current liability}}$

$= \frac{548}{2865}$

$=0.19:1$

2) Quick asset = $\frac{\text{current assets -inventory}}{\text{Current liabilities}}$

$= \frac{548-2995}{2865}$

$=-0.85:1$

3) receivable collection period= $\frac{\text{average trade receivables}}{\text{Credit sales}} \times 365$ days

$= \frac{837 * 365}{11992}$

$=2.55:1$

4) payable payment period= $\frac{\text{average trade payable} \times 365\text{days}}{\text{credit purchases}}$

$= \frac{395.5*365}{}$

195

=

5) inventory turnover period= average inventory x365 days

cost of sales

=2997.5*365

195

=5.61:1

6) receivables turnover = credit sales

average receivables

=11992

937

=1.28:1

7) payable turnover=credit purchases

average payables

=195

395.5

=0.49:1

8) inventory turnover=cost of sales

average inventory

=195

2997.5

=0.07:1

9) return on capital employed= PAT-PREFERENCE DIVIDEND

ORDIDNARY SHAREHOLDERS

=11972-0

37040

=0.32:1

10)DIVIDEND PAYOUT RATIO=DIVIVDEND PER SHARE ×100

EARNINGS PER SHARE

=11797*100

13180

=8.95:1

AIRTEL COMPANY FOR 2018

1)current ratio =current assets

Current liability

=1427

3105

=0.46:1

2) Quick asset = $\frac{\text{current assets -inventory}}{\text{Current liabilities}}$

$=\frac{1427-3}{3105}$

=0.46:1

3) receivable collection period= $\frac{\text{average trade receivables}}{\text{Credit sales}} \times 365$ days

$=\frac{422852.5}{1513}$

=2.79:1

4) payable payment period= $\frac{\text{average trade payable}}{\text{credit purchases}} \times 365$days

=258602.5

1243

=2.08:1

5) inventory turnover period= $\frac{\text{average inventory}}{\text{cost of sales}}$ x365 days

$=\frac{1642.5}{1243}$

=1.32:1

6) receivables turnover = $\frac{\text{credit sales}}{\text{average receivables}}$

$=\frac{1513}{252}$

=6.00:1

7) payable turnover=$\frac{\text{credit purchases}}{\text{average payables}}$

$=\frac{1243}{1061}$

=1.17:1

8) inventory turnover=$\frac{\text{cost of sales}}{\text{average inventory}}$

$=\frac{1243}{3}$

=4.14:1

9) return on capital employed= $\frac{\text{PAT-PREFERENCE DIVIDEND}}{\text{ORDIDNARY SHAREHOLDERS}}$

=<u>122-0</u>

2359

=0.05:1

10)DIVIDEND PAYOUT RATIO=DIVIVDEND PER SHARE ×100

EARNINGS PER SHARE

=2000

1

=2.00:1

The financial interpretation;

1)mtn gained enough to pay for its liabilities for the year unlike airtel which were not able to.

2)mtn was able to raise enough capital and profit to purchase new assets unlike like airtel who didn't have sufficient funds.

3)airtel were able to collect their average number of accounts based on receivables due total number in receivable's while mtn were not able to meet up the deadline.

4)airtel doesn't take long to pay his supplier's whereas mtn takes along time to pay his supplier's.

5)mtn sold and where able to recovery and replace them within a year whereas airtel couldn't replace its assets.

6)airtel where able to recovery its receivables within a year whereas mtn where not able too.

7) payables turnover for airtel was higher than that of mtn.

8)inventory turnover for airtel was higher cause they gained twice the amount for mtn.

9)return on capital employed mtn ran at a deficit.

10)dividend payout ratio for mtn was higher than that of airtel.

CONSUMER SERVICES

TRANSCORP HOTELS FINANCIAL INTERPRETATION FOR 2018

1)current ratio =current assets

Current liability

=6,996,836

21,786,578

=0.32:1

2) Quick asset = current assets -inventory

Current liabilities

=6,996,836-541,305

21,786,578

=0.30:1

3) receivable collection period= average trade receivables × 365 days

Credit sales

=806259

11,975,174

=4.51:1

4) payable payment period= average trade payable ×365days

credit purchases

==540501490

3,088,893

=5.38:1

5) inventory turnover period= average inventory x365 days

cost of sales

=220360537.5

11975174

=1.84:0

6) receivables turnover = credit sales

average receivables

=11,975,174

806259

=1.49:1

7) payable turnover=credit purchases

average payables

=3,088,893

5405014905

=5.71:0

8) inventory turnover=cost of sales

average inventory

=3,088,893

220360537.5

=0.01:0

9) return on capital employed= PAT-PREFERENCE DIVIDEND

ORDIDNARY SHAREHOLDERS

=3,400,345-0

3,800,202

=0.90:1

10)DIVIDEND PAYOUT RATIO=DIVIVDEND PER SHARE ×100

EARNINGS PER SHARE

=947,00000

30

=3.16:1

11)gross percentage=gross profit ×100

Sales

=8,886,28100

11,975,174

=7.42:0

12) net profit percentage=<u>net profit</u> x100

Sales

=<u>10,192,78800</u>

11,975,174

=8.51:0

13)expenses percentage =<u>individual percentage</u> ×100

Total expenses

=<u>1,090,01100</u>

2,310,334

=4.72:1

<u>IKEJA HOTELS FINANCIAL INTERPRETATION RATIOS FOR 2018</u>

1)current ratio =<u>current assets</u>

Current liability

=<u>3,301,194</u>

6,407,993

=0.52:0

2) Quick asset = <u>current assets -inventory</u>

Current liablities

<u>=3,301,194 – 78,006</u>

6,407,993

=0.50:0

3) receivable collection period=<u> average trade receivables</u> × 365 days

Credit sales

=<u>678025.5</u>

3605560

=0.38:1

4) payable payment period= <u>average trade payable ×365days</u>

credit purchases

=<u>1103697.5×365</u>

2306514

=1.75:1

5) inventory turnover period= <u>average inventory</u> x365 days

cost of sales

=<u>172350.5*365</u>

2306514

=0.07:0

6) receivables turnover = <u>credit sales</u>

average receivables

=3605560

678025

=5.32:1

7) payable turnover=credit purchases

average payables

=2306514

1103697

=2.09:1

8) inventory turnover=cost of sales

average inventory

=2306514

172350.5

=1.33:1

9) return on capital employed= PAT-PREFERENCE DIVIDEND

ORDIDNARY SHAREHOLDERS

=1,045,758-0

1,039,398

=1.01:1

10)DIVIDEND PAYOUT RATIO=DIVIVDEND PER SHARE ×100

EARNINGS PER SHARE

=16,69100

5,293,253

=0.32:1

Financial interpretation

1)ikeja hotels for current ratio where able to pay up for their liabilities whereas transcorp wasn't able too.

2)ikeja hotels had a higher ratio in its quick asset other than transcorp hotels.

3)transcorp hotels had twice the amount for payable payment period other than ikeja hotels.

4)inventory turnover for transcorp hotels is higher than ikeja hotels because it has enough to pay for its inventory's.

5)receivable turnover for ikeja is higher than transcorp hotel cause its able to pay for the turnovers incurred during the year.

6)payable inventory in transcorp is higher and has enough to pay for its operating lease during the year.

7)inventory turnover n ikeja was enough to pay for the assets sold and recovered within a year.

8)return on capital employed of ikeja hotels is higher than that of transcorp , the had enough t pay for their activities in business.

9)payment ratio in transcorp hotel is higher than that of ikeja.

FINANCIAL BANKS

UNION BANK FINANCIAL INTERPRETATION FOR THE YEAR 2018

1)current ratio =current assets
Current liability
=1,252,685
1,124,210
=1.11:4

2) Quick asset = current assets -inventory
Current liabilities
=1,252,685-5628
1,252,210
=0.10:1

3) receivable collection period= average trade receivables × 365 days
Credit sales
=0

4) payable payment period= average trade payable ×365days
credit purchases
=0

5) inventory turnover period= average inventory x365 days
cost of sales
=0

6) receivables turnover = credit sales
average receivables
=0

7) payable turnover=credit purchases
average payables
=0

8) inventory turnover=cost of sales
average inventory
=0

9) return on capital employed= PAT-PREFERENCE DIVIDEND
ORDIDNARY SHAREHOLDERS
=18,660-0
14561
=1.28:1

10)DIVIDEND PAYOUT RATIO=DIVIVDEND PER SHARE ×100

EARNINGS PER SHARE

=54000

13860

=3.90:1

Fidelity bank for 2018

1)current ratio =current assets

Current liability

=1,719,883

1,525,467

=1.13:1

2) Quick asset = current assets -inventory

Current liabilities

=1,719,883-0

1,525,467

=1.13:1

3) receivable collection period= average trade receivables × 365 days

Credit sales

=0

4)gross percentage=gross profit ×100

Sales

=9219500

=9.22:1

5) net profit percentage=net profit x100

Sales

=38,05800

=3.81:1

6)expenses percentage =individual percentage ×100

Total expenses

=79,91600

76,126

=1.05:1

7)expenses to sale=individual expense x100

Sales

=79,91600

0

=7.10:1

9) return on capital employed= PAT-PREFERENCE DIVIDEND

ORDIDNARY SHAREHOLDERS

=13,010-0

8,514

=1.53:1

Financial interpretation

1)current ratio is higher in fidelity bank due to the fact that it has enough to pay for its assets

2)quick assets the inventory in fidelity bank is higher than that of union bank

3)the both companies suffered a loss in their receivables collection period

4)inventory turnover for fidelity bank is twice higher than that of union bank

5)receivable turnover for fidelity bank is higher than that of union bank

6)payables turnover available is for fidelity bank, union bank suffered a loss

7)inventory turnover gained twice higher than that of union bank

8)return on capital employed if fidelity bank is enough to pay for the company's liabilities and assets

9)dividend payment ratio for union bank is in surplus other than that of fidelity

CONSUMER PRODUCTION

FINANCIAL INTERPRETATION AND RATION FOR HONEYWELL FLOUR MILLS PLC 2018

1)current ratio =current assets / Current liability

=21,611,089 / 28,207,258

=0.76:1

2) Quick asset = current assets -inventory / Current liabilities

=21,611,089-7,844,965 / 28,207,258

=1.04:1

3) receivable collection period= average trade receivables / Credit sales × 365 days

=6954773.5*365 / 71476319

=0.10:1

4)inventory turnover period= average inventory / cost of sales x365 days

=10102727.5*365 / 55,423,670

=6.65:0

5)payable payment period= average trade payable / credit purchases ×365days

=9905040*365
55,423,670
=6.52:0

6) receivables turnover = credit sales
average receivables
=71,476,319
6954773.5
=1.03:1

7) payable turnover=credit purchases
average payables
=55,423,670
9905040.5
=5.60:1

8) inventory turnover=cost of sales
average inventory
=55,423,670
10102727.5
=5.49:1

9) return on capital employed= PAT-PREFERENCE DIVIDEND
ORDIDNARY SHAREHOLDERS
=4,872,291-0
3,965,099
=1.23:1

10)gross percentage=gross profit ×100
Sales
=16,052,649*365
71,476,319
=8.20:1

11) net profit percentage=net profit x100
Sales
=14,725,91000
71,476,319
=2.06:0

NESTLE PLC FINANCIAL INTERPRETATION AND RATIOSFOR THE YEAR 2018

1)current ratio =current assets
Current liability
=41,003
43,030
=0.95:0

2) Quick asset = current assets -inventory
Current liabilities
=41,003-9125
43,030
=0.74:0

3) receivable collection period= average trade receivables × 365 days
Credit sale
=11601.5*356
91439
=4.63:0

4)inventory turnover period= average inventory x365 days
cost of sales
=9151*365
46070
=7.25:0

5)payable payment period= average trade payable ×365days
credit purchases
=18332*365
46070
=1.45:0

6) receivables turnover = credit sales
average receivables
=91439
11601.5
=7.88:0

7) payable turnover=credit purchases
average payables
=46070
18332
=2.51:0

8) inventory turnover=cost of sales
average inventory
=46070
9151
=5.03:4

9) return on capital employed= PAT-PREFERENCE DIVIDEND
ORDIDNARY SHAREHOLDERS
=12991-0
7124

=1.83:0

10)expenses to sale=<u>individual expenses</u>*100

Sales

=<u>3015900</u>

91439

=3.30:1

10)expenses to sale=<u>individual expenses</u>*100

Sales

=<u>10736604</u>

31928

=3.36:0

11)gross percentage=<u>gross profit</u> ×100

Sales

=<u>1444051</u>*100

2869713

=5.02:1

12)net percentage=<u>net profit</u> *100

Sales

=<u>35760400</u>

289713

=1.23:0

Financial interpretation

1)current ratio for nestle is higher due to the fact that they have enough to pay up their liabilities while honey well can't.

2)quick asset ratio for honey well has more than enough inventories other than nestle

3)receivable collection period for nestle due to the total amount receivables unlike honey well

4)nestle plc is higher than honey well due to the number of days they use to pay suppliers

5)honey well sold and where able to recovery its assets in one year unlike nestle.

6)nestle plc where able to recover its receivables unlike honey well

7)honey well where able to recovery their assets during nestle

8)honey well is higher in their inventories than nestle plc

9)nestle where well sufficient with capital for the year other than honey well

10)the gross percentage in honey well higher than that of nestle

11)the net percentage of honey well is higher than that of nestle

BASIC MATERIALS

BOC GASES FINANCIAL INTERPRETATION AND RATIO FOR THE YEAR 2018

1)current ratio =current assets
Current liability
=2,119,056
1,298,954
=1.63:0

2) Quick asset = current assets -inventory
Current liabilities
=2119,056-156404
1,298,954
=1.51:0

3) receivable collection period= average trade receivables × 365 days
Credit sale
=483459*365
2869713
=5.10:1

4)inventory turnover period= average inventory x365 days
cost of sales
=164564*365
1425662
=2.11:1

5)payable payment period= average trade payable ×365days
credit purchases
=1093993.5*365
1425662
=2.80:0

6) receivables turnover = credit sales
average receivables
=2869713
483459
=5.94:1

7) payable turnover=credit purchases
average payables
=1425662
1093993.5
=1.30:0

8) inventory turnover=cost of sales
average inventory

=<u>1425662</u>
164564
=8.66:0

9) return on capital employed<u>= PAT-PREFERENCE DIVIDEND</u>
ORDIDNARY SHAREHOLDERS
=<u>3400345-1807</u>
208122
=1.63:0

10)expenses to sale=<u>individual expenses</u>*100
Sales
=126021000
11975174
=1.05:0

11)gross percentage=<u>gross profit</u> ×100
Sales
=<u>1444051*</u>100
2869713
=5.02:1

12)net percentage=<u>net profit</u> *100
Sales
=<u>35760400</u>
289713
=1.23:0

PORTLAND PAINTS FINANCIAL INTERPRETATION AND RATIOS FOR THE YEAR 2018

1)current ratio =<u>current assets</u>
Current liability
=<u>1718570</u>
700439
=1018131

2) Quick asset = <u>current assets -inventory</u>
Current liabilities
=<u>1718570-728,047</u>
700439
=1.41:0

3) receivable collection period=<u> average trade receivables</u> × 365 days
Credit sale
=<u>499871.5*365</u>

2,829,262

=6.45:1

4)inventory turnover period= $\frac{\text{average inventory}}{\text{cost of sales}}$ x365 days

=$\frac{1178262*365}{1,753,262}$

=2.45:0

5)payable payment period= $\frac{\text{average trade payable}}{\text{credit purchases}}$ ×365days

=$\frac{499871.5*365}{1,753,262}$

=1.04:0

6) receivables turnover = $\frac{\text{credit sales}}{\text{average receivables}}$

=$\frac{2,829,262}{499871.5}$

=5.66:1

7) payable turnover=$\frac{\text{credit purchases}}{\text{average payables}}$

=$\frac{1,753,262}{499871.5}$

=3.51:1

8) inventory turnover=$\frac{\text{cost of sales}}{\text{average inventory}}$

=$\frac{1,753,262}{1178262}$

=1.49:1

9) return on capital employed= $\frac{\text{PAT-PREFERENCE DIVIDEND}}{\text{ORDIDNARY SHAREHOLDERS}}$

=$\frac{307,533-0}{396,708}$

=0.78:1

10)expenses to sale=$\frac{\text{individual expenses}}{\text{Sales}}$*100

=$\frac{81650200}{2,829,262}$

=0.29:1

11)gross percentage=$\frac{\text{gross profit}}{\text{Sales}}$ ×100

=1,075,290,00

2,829,262

=3.80:0

12)net percentage=net profit *100

Sales

=20669300

2,829,262

=7.31:1

Financial interpretation

1)current assets of BOC is higher than that of Portland. they were able to pay up their liabilities.

2)quick asset ratio of BOC their inventories are higher than that of Portland

3)receivable collection period for Portland is higher than that of BOC

4)inventory turnover that the company sold and where able to recover was in BOC rather than Portland

5)payable turnover for BOC is higher than that of Portland during the year 2018

6)the number of receivables that the company could ascertain is BOC

7)inventory turnover for BOC twice the amount of Portland

8)RCE for BOC is just enough to satisfy the operating activities for the year

9)ES for BOC is higher than that of Portland

10)gross profit is triple the amount for the year of BOC other than Portland

11)net profit of BOC is higher than that of Portland percentage

HEALTH CARE

MAY BAKER FINANCIAL INTERPRETATION AND RATIO FOR THE YEAR 2018

1)current ratio =current assets

Current liability

=3542877

4976598

=0.71:0

2) Quick asset = current assets -inventory

Current liabilities

=3542877-1238994

4976598

=0.46:0

3) receivable collection period= average trade receivables × 365 days

Credit sale

=1065144*365

4,364,639

=8.91:1

4)inventory turnover period= $\frac{\text{average inventory}}{\text{cost of sales}}$ x365 days

$=5\frac{1347345*36}{4,384,639}$

=1.12:0

5)payable payment period= $\frac{\text{average trade payable} \times 365\text{days}}{\text{credit purchases}}$

$=\frac{1065144}{4,384,639}$

=0.24:0

6) receivables turnover = $\frac{\text{credit sales}}{\text{average receivables}}$

$=\frac{4,364,639}{1065144}$

=4.10:1

7) payable turnover=$\frac{\text{credit purchases}}{\text{average payable}}$

$\frac{=4,384,639}{1065144}$

=4.12:1

8) inventory turnover=$\frac{\text{cost of sales}}{\text{average inventory}}$

$=\frac{4,384,636}{1347345}$

=3.25:0

9) return on capital employed= $\frac{\text{PAT-PREFERENCE DIVIDEND}}{\text{ORDIDNARY SHAREHOLDERS}}$

$=\frac{127,931-0}{490,000}$

=0.26:0

10)expenses to sale=$\frac{\text{individual expenses}}{\text{Sales}}$*100

$=\frac{182084400}{6899496}$

=0.26:0

11)gross percentage=$\frac{\text{gross profit}}{\text{Sales}}$ ×100

$=\frac{251487500}{6899496}$

=3.64:0

12)net percentage=net profit *100

Sales

=93,16500

6899496

=1.35:0

GSK FINANCIAL INTERPRETATION AND RATIO FOR THE YEAR 2018

1)current ratio =current assets

Current lability

=13,338,313

6,914,940

=1.93:1

2) Quick asset = current assets -inventory

Current liabilities

=13,338,313-3,938,707

6,914,940

=1.36:1

3) receivable collection period= average trade receivables × 365 days

Credit sale

=6275744.5*365

18,411,475

=1.24:1

4)inventory turnover period= average inventory x365 days

cost of sales

=3653566.5*365

11,654,697

=1.14:0

5) receivables turnover = credit sales

average receivables

=18411475

6275744.5

=2.93:0

6)payable payment period= average trade payable ×365days

credit purchases

=170305.5*365

11,654,697

=5.33:0

7) payable turnover=credit purchases

average payable

=11,654,697
170305.5
=6.84:0

8) inventory turnover=cost of sales
average inventory
=18411475
3653566.5
=5.04:1

9) return on capital employed= PAT-PREFERENCE DIVIDEND
ORDIDNARY SHAREHOLDERS
=1160824-0
597939
=1.94:0

10)expenses to sale=individual expenses*100
Sales
=534105000
18411475
=0.29:0

11)gross percentage=gross profit ×100
Sales
=675677800
18411475
=3.67:1

12)net percentage=net profit *100
Sales
=61838900
18411475
=3.36:1

Financial interpretation

1)the current ratio for gsk plc is higher than may baker measures its profitability.
2)quick asset for may baker is gsk is higher than gsk plc due the increase in its inventory.
3) receivable collection period its average payables in gsk plc is higher than may baker
4)payables turnover of trade paybles is higher than that of gsk
5)inventory turnover of average inventory of gsk plc is lower than may baker .
6)) **Return on capital employed** (ROCE) is a financial ratio that measures a company's profitability and the efficiency with which its **capital** is gsk is profitable than may baker.

OIL AND GAS

CONOIL FINANCIAL INTERPRETATION AND RATIOS

1)current ratio =current assets

Current lability

=54908451

41641699

=1.32:1

2) Quick asset = current assets -inventory

Current liabilities

=54908451-9141599

41641699

=1.10:1

3) receivable collection period= average trade receivables × 365 days

Credit sale

=28080978*365

122213014

=8.39:1

4)inventory turnover period= average inventory x365 days

cost of sales

=7401377*365

109442111

=2.47:1

5) receivables turnover = credit sales

average receivables

=122213014

28080978

=4.36:1

6)payable payment period= average trade payable ×365days

credit purchases

=53352487.5*365

109442111

=0.49:1

7) payable turnover=credit purchases

average payable

=109442111

53352487.5

=2.05:0

8) inventory turnover=cost of sales

average inventory

=109442111

7401377

=1.48:1

9)gross percentage=<u>gross profit</u> ×100

Sales

=<u>1277090200</u>

122213014

=1.04:0

10) net percentage=<u>net profit *100</u>

Sales

=<u>179604200</u>

122213014

=1.47:1

<u>FORTE OIL PLC</u>

<u>FINACIAL INTERPRETATION AND RATIO FOR YEAR 2018</u>

1)current ratio =<u>current assets</u>

Current lability

=<u>54684317</u>

43836094

=1.25:1

2) Quick asset = <u>current assets -inventory</u>

Current liabilities

=<u>54684317-6492390</u>

43836094

=1.10:1

3) receivable collection period= <u>average trade receivables</u> × 365 days

Credit sale

=<u>345554410*365</u>

94812527

=1.30:0

4)inventory turnover period= <u>average inventory</u> x365 days

cost of sales

=<u>55553888*365</u>

86354204

=2.35:1

5) receivables turnover = <u>credit sales</u>

average receivables

=<u>94812527</u>

345554410

=0.27:0

6)payable payment period= $\frac{\text{average trade payable}}{\text{credit purchases}} \times 365\text{days}$

$= \frac{27304048*365}{86354204}$

=1.15:0

7) payable turnover= $\frac{\text{credit purchases}}{\text{average payable}}$

$= \frac{86354204}{27304048}$

=3.16:0

8) inventory turnover= $\frac{\text{cost of sales}}{\text{average inventory}}$

$= \frac{86354204}{55553888}$

=1.55:0

9)gross percentage= $\frac{\text{gross profit}}{\text{Sales}} \times 100$

$= \frac{845832300}{94812527}$

=8.92:0

10) net percentage= $\frac{\text{net profit}}{\text{Sales}} *100$

$= \frac{913883300}{94812527}$

=9.64:1

FINANCIAL INTERPRETATION

1)current ratio of conoil is higher than forte oil and its just enough to pay for its liabilities.

2) quick asset ratio of the both companies are even due to unforeseen circumstances.

3)receivable collection period of conoil is the average of accounts of total receivables other than that of forte oil.

4)payable payment period that they took a short time to pay their suppliers is conoil

5)conoil is higher than that of forte oil in inventory turnover period.

6)forte oil is just enough for its receivables turn over period other than conoil.

7)forte payable turnover where able to sell and recover its assets within a year unlike conoil.

8)the inventory turnover period for forte oil is higher than conoil due to the increase in average turnover for the period.

9)gross profit percentage for forte is higher due to the increase in its trading account for the year end unlike conoil which is lower.

10)net profit percentage for forte oil is higher due to the income and expenses incurred during the year end.