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COURSE: ACC 302

##  A DETAILED ANALYSIS OF THE ACCOUNTING RATIOS OF CERTAIN COMPANIES ON THE STOCK EXCHANGE MARKET AS WELL AS THEIR INTERPRETATIONS

- BERGER PAINTS

- CAP PLC

-NESTLE NIGERIA

- CHAMPION BREWERIES

-TRANSCORP HOTELS PLC

- CAPITAL HOTELS

-ZENITH BANK

- ACCESS BANK

-GLAXOSMITHKLINE CONUMER NIGERIA PLC

- MAYBAKER NIGERIA PLC

-JULIUS BERGER

- BETA GLASS

- FORTE OIL

- CONOIL

-CHAMS PLC

- E-TRANZACT

#  BASIC MATERIALS

 **BERGER PAINTS**

1. Short term solvency and liquidity ratio

-Current ratio =

 =

 = 1.3:1

This means that Berger paints will be able to settle its current liabilities with its current assets as they fall due.

-Quick asset ratio =

 = 0.8:1

This implies the company’s liquid assets cannot be able to settle current liability when they fall due

 -Receivables collection period = × 365

 ATR=

 = 183,186

 RCP 365

 RCP= 20 days

This implies that it will take an average of 20 days for trade receivables to be collected

 -Payables payment period = × 365

 ATP= = 589,943

 PPP= 365

 = 114 days

This implies that it takes an average number of 114 days for which trade payables remain unpaid

 - Inventory turnover period = × 365

 = × 365

 = 114 days

This implies that it takes an average number of 114 days for inventory to remain unsold in the store

 - Receivables turnover =

 =

 =18 times

This implies that it takes an average of 18 times for which trade receivables are turned over during the year

 - Payables turnover =

 =

 =3 times

This implies that it takes an average of 3 times for which trade payables are turned during the year

 - Inventory turnover =

 =

 = 3.21

This indicates the period from which goods are produced to when they are sold

(2)Efficiency and profitability ratio

 -Return on capital employed =

 =

 = 0.1

This shows the overall profitability of the business

 -Gross profit percentage= × 100

 = × 100

 = 43.8%

This shows that the company makes a profit of 44% in relation to goods sold

 - Net profit percentage= × 100

 = × 100

 = 9.5%

This shows that the company makes a net profit of 9.5% in relation to goods sold

(3) Investors ratio

 - Price earnings ratio

 =

 =2.4 times

This means that it will the company an average of 2.4 years to recoup shareholder’s investment

 - Earnings yield =

 =

 =41.3%

This implies that the company recoups 41.3% on shareholder’s investment

 - Dividend payout ratio = × 100

 = × 100

 = 45.1%

This shows that the company pays 45.1% of its distributable earnings to shareholders

 - Dividend yield = × 100

 =

 = 18.6%

This shows that there is a current return of 18.6% on the shareholder’s investment

(4) Long term solvency ratio

 -Total debt to shareholders fund =

 =

 = 0.61

The lower the debt to shareholders fund the greater stability for the company

**CAP PLC**

(1)Short term solvency and liquidity ratio

 -Current ratio=

 = 1.64:1

This implies CAP PLC will be able to settle its current liability with its current asset if they fall due

 -Quick asset ratio=

 = 1.38:1

This implies that the company will be able to settle its current liabilities with its liquid assets if they fall due

 - Receivables collection period= × 365

 = 6.6 days

This implies that it takes average of 7 days for trade receivables to be collected

 - Payables payment period= × 365

 = 121.8 days

This implies that it takes an average of 122 days for trade payables to remain unpaid

 - Inventory turnover period= × 365

 = 93.7 days

This implies that it takes an average of 94 days for inventory to remain in the store without being sold

 - Receivables turnover=

 = 54.8 times

This implies that it takes an average of 55 times for trade receivables to be turned during the year

 - Payables turnover=

 = 3 times

This implies that it takes an average of 3 times for trade payables to be turned during the year

 - Inventory turnover=

 = 3.9

This shows the period from which goods are produced to when they are sold

 (2)Efficiency or profitability ratio

 - Return on capital employed =

 = 0.7

This shows the overall profitability of the company

 - Gross profit percentage= × 100

 = 48%

This shows that the company makes an average gross profit of 48% in relation to sales

 - Net profit percentage= × 100

 = 26%

This shows that the company makes a profit of 26% in relation to sales

(3)Investors ratio

 - Price earnings ratio=

 = 0.2 times

This implies that it will take the company 0.2 years to recoup shareholder’s investment

 - Earnings yield= × 100

 = 547%

This shows the potential return on shareholder’s investment

 - Dividend per share=

 =2.05 Naira

This shows that the shareholders will get 2.05 Naira on each share held

 - Dividend payout ratio= × 100

 = 70.7%

This shows that the company pays 70.7% of its earnings to its shareholder’s

 - Dividend yield= ×100

 = 386.8%

This shows the current actual return on shareholder’s investment

 (4) Long term solvency ratio

 - Total debt to shareholders fund=

 = 1.25

The lower the total debt to shareholders funds the greater the stability for the company

##  CONSUMER GOODS

**NESTLE NIGERIAN PLC**

(1)Short term solvency and liquidity ratio

 - Current ratio=

 = 0.9:1

This implies that the company cannot settle its current liabilities with its current asset if it falls due

 - Quick asset ratio=

 = 0.6:1

This implies that the company cannot settle its current liabilities with its liquid assets if it falls due

 - Receivables collection period= × 365

 = 50.4 days

This implies that it will take the company an average 50 days for its trade receivables to be paid

 - Payables payment period= × 365

 = 127 days

This means that it takes 127 days for trade payables to remain unpaid

 - Inventory turnover period= × 365

 = 56.3 days

This means it takes inventory an average of 56 days to remain unsold in the store

 - Receivables turnover=

 = 7.2 times

This implies that it takes an average of 7.2 times for trade receivables to be turned during the year

 - Payables turnover=

 = 2.9 times

This implies that it takes an average of 2.9 times for trade payables to be turned during the period

 - Inventory turnover=

 = 6.5

This shows the period from which goods are produced to when they are sold

(2)Efficiency and profitability ratio

 - Return on capital employed=

 = 0.61

This shows the overall profitability of the company

 - Gross profit percentage= × 100

 = 42.8%

This implies that the company makes a profit of 42.8% in respect to goods sold

 - Net profit percentage= × 100

 = 16.2%

This implies that the company makes a profit of 16.2% in respect of goods sold

(3) Investors ratio

 - Price earnings ratio=

 = 0.009 times

This implies that it takes the company 0.009 years to recoup shareholder’s investment

 - Earnings yield= × 100

 = 10048.1%

This shows the potential return on the shareholder’s investment

 - Dividend payout ratio= × 100

 = 87.54%

This shows the amount of earnings of the company that is paid out as dividend

 - Dividend yield=

 = 9500%

This shows the current actual return on shareholder’s investment

 (4) Long term solvency ratio

 - Total debt to shareholders fund =

 =2.23

The lower the total debt to shareholders funds the greater the level of stability of the company and vice versa

**CHAMPION BREWERIES**

(1)Short term solvency and liquidity ratio

 - Current ratio=

 = 0.89:1

This implies that the company cannot settle its current liabilities with its current assets if they fall due

 - Quick asset ratio=

 = 0.57:1

This implies that the company cannot settle its current liabilities with its liquid assets if it falls due

 - Receivables collection period= 365

 = 83.53 days

This implies that it will take an average of 84 days for trade receivables to be collected

 - Payables payment period= × 365

 = 183.8 days

This implies that it will take an average of 184 days for trade payables to remain unpaid

 - Inventory turnover period= × 365

 = 75.5 days

This implies that it takes an average of 76 days for inventory to remain in the store before they are being sold

 - Receivables turnover=

 = 4.4 times

This implies that trade receivables are turned 4 times during the period

 - Payables turnover=

 = 2 times

This implies that trade payables are turned 2 times during the period

 - Inventory turnover=

 = 4.8 times

This shows the period from which inventory are produced to when they are sold

 (2)Efficiency and profitability ratio

 - ROCE=

 = 0.031

This shows the overall profitability of the company

 - Gross profit percentage= × 100

 = 25%

This shows the company makes a gross profit of 25% in respect to goods sold

 - Net profit percentage= × 100

 = 5.5%

This shows that the company makes a profit of 5.5% in respect to goods sold

(3)Investors ratio

 - Price earnings ratio=

 = 55.3

This implies that it will take 55 years for the company to recoup shareholder’s investment

 - Earnings yield= ×100

 = 1.81%

This implies that the company has made a loss of 1.81% on shareholder’s investment

 (4)Long term solvency ratio

 - Total debt to shareholders fund=

 = 0.32

 The lower the Total debt to shareholders fund the greater the stability of the company and vice versa

#  CONSUMER SERVICES

 **TRANSCORP HOTELS PLC**

(1)Short term solvency and liquidity ratio

- Current ratio=

 = 0.29:1

This implies that the company cannot settle its current liabilities with its current asset

- Quick asset ratio=

 = 0.26:1

This implies that the company cannot settle its current liabilities with its liquid assets if it falls due

- Receivables collection period= ×365

 = 66.8 days

This implies that it will take the company an average of 67 for trade receivables to be collected

-Payables payment period= × 365

 = 494.5 days

This implies that it takes the company an average of 494 days for payables to remain unpaid

- Inventory turnover= × 365

 = 51.4 days

This shows that it takes an average of 51 days for inventory to remain unsold in the store

 - Receivables turnover=

 = 5.4 times

This implies that it takes 5.4 times for receivables to be turned during the period

- Payables turnover=

 = 0.7 times

This implies that it takes an average of 0.7 times for payables to be turned during the period

- Inventory turnover=

 = 7.01 times

This implies the period between inventory are produced to when they are sold

**(2) EFFICIENCY RATIO**

 - ROCE=

 = 0.04

This shows the overall profitability of the company

 - Gross profit margin= 100

 = 74.3%

This implies that the company makes a gross profit of 74.3% from goods sold

 -Net profit margin= × 100

 = 23.5%

This implies that the company makes a profit of 23.5 % in relation to sales

(3) INVESTORS RATIO

 - Price earnings ratio=

 = 2 times

This implies that it will take the company 2 years to recoup shareholder’s investment

- Earnings yield= × 100

 = 49.5%

This implies that the company earns 49.5% from the shareholder’s investment

 - Dividend payout ratio= × 100

 = 29.4%

This shows that the company pays its shareholders 29.4% of its earnings

-Dividend yield= × 100

 = 14.6%

This shows that there is a 14.6% return on current shareholders investment

(4) Long term solvency ratio

 - Total debt to shareholders fund=

 = 0.88

The lower the long term solvency ratio the greater the stability of the company and vice versa

**CAPITAL HOTELS PLC**

(1)Short term solvency and liquidity ratio

- Current ratio=

 = 2.2:1

This shows that the company can settle its current liabilities with its current assets if its falls due

- Quick asset ratio=

 = 2.1:1

This implies that the company can settle its current liabilities with its liquid assets if it falls due

-Receivables collection period= × 365

 = 98.8 days

This implies that it will take the company an average of 99 days to be paid its trade receivables

- Payables payment period= 365

 = 161.6 days

This implies that it will take the company an average of 162 days for trade payables to remain unpaid

 - Inventory turnover period= × 365

 = 14.7 days

This implies that it takes 15 days for inventory to remain unsold in the store before they are sold

 - Receivables turnover=

 = 3.7 times

This implies that it takes 3.7 times for receivables to be turned during the period

 - Payables turnover=

 = 2.3 times

This implies that it takes 2.3 times for trade payables to be turned during the period

- Inventory turnover=

 = 24.8 times

This shows the period from inventory is produced to when they are sold

(2)Efficiency ratio

- ROCE=

 = 0.05

This shows the overall profitability of the company

- Gross profit margin= × 100

 = 18.5%

This implies that the company earns a gross profit of 18.5% in relation to sales

 - Net profit margin= × 100

 = 6.4%

This implies that the company makes a net profit of 6.4% in relation to sales

 (3)Investors ratio

- Price earnings ratio=

 = 2 times

This shows the number of years it will take for the company to recoup shareholder’s investment

 - Earnings yield= × 100

 = 50%

This shows that the company earns a profit of 50% from the shareholder’s investment

- Dividend per share=

 = 0.05 Naira

This is the amount accruable to a shareholder for each share owned

 - Dividend payout ratio= × 100

 = 20%

This implies that the company pays 20% of its earnings to investors

 - Dividend yield=

 = 10%

This implies that there is a current return of 10% on shareholder’s investment

 (4)Long term solvency ratio

 - Total debt to shareholders funds=

 = 0.59

The lower the debt to shareholders fund the greater the stability of the company and vice versa

# FINANCIAL SECTOR

**ZENITH BANK**

(1)Short term solvency ratio

- Current ratio=

 = 1.2:1

This implies that the company can settle off its current liabilities with its current asset if it falls due

- Quick asset ratio=

 = 1.2:1

This implies that the company can settle its current liabilities with its liquid assets if it falls due

(2)Efficiency and profitability ratio

- ROCE=

 = 0.25 naira

This shows the overall profitability of the company

(3)Shareholders ratio

- Earnings per share=

 = 5.27 Naira

This shows that there is a net profit of 5.27 Naira to each ordinary share in issue

- Earnings yield= × 100

 = 28%

This shows how long it will take the company to recoup shareholders investment

- Net asset per share=

 = 21.5 naira

This implies that there is a net asset of 21.5 Naira to each ordinary share in issue

- Dividend per share=

 = 2.80 Naira

This shows that there is 2.8 Naira accruable to shareholders for each share owned

- Dividend payout ratio= × 100

 = 53%

This shows that the company pays 53% of its earnings to shareholders

 - Dividend yield= × 100

 = 15%

This shows that there is a current return of 15% on shareholder’s investment

Dividend cover=

 = 1.88

This shows that 1.88 times ordinary dividend will be covered by the distributable earnings

 (4)Long term solvency and stability ratio

 - Gearing ratio=

 = 6.3 Naira

This measures the degree of vulnerability to financial risk

 - Total debt to shareholders fund=

 = 6.3 Naira

The lower the risk the greater the stability of the company and vice versa

 **ACCESS BANK**

 (1)Short term solvency and liquidity ratio

 - Current ratio=

 = 1.12:1

This implies that the company can settle its current liabilities with its current asset

- Quick asset ratio=

 = 0.64:1

This implies that the company cannot settle its current liabilities with its liquid assets if due

(2)Efficiency and profitability ratio

- ROCE=

 = 0.17

This shows the total profitability of the company

(3)Shareholders ratio

-Price earnings ratio=

 = 3.04years

This shows that it will take the company 3 years to recoup shareholder’s investment

 - Earnings yield= × 100

 =32.9%

This shows that the company will make a profit of 32.9% from shareholders investment

-Net asset per share=

 = 18 Naira

This shows that there is a net asset of 18 Naira on each share

-Dividend payout ratio= × 100

 = 75%

This shows that the company pays 75% of its earnings to shareholders

 - Dividend yield= × 100

 = 2%

This shows that there is a current return of 2% on shareholder’s investment

 - Dividend cover=

 = 13 times

This shows that ordinary dividend is covered by distributable earnings 13 times

 (4)Long term solvency ratio

 - Gearing ratio=

 = 0.56

This shows the degree of vulnerability of the company to financial risk

- Total debts to shareholders funds=

 = 8.02

The lower the shareholders fund the greater the stability of the company and vice versa

#  HEALTHCARE SECTOR

**GLAXOSMITHKLINE CONSUMER NIGERIA PLC**

(1)Short term solvency and liquidity ratio

- Current ratio=

 = 1.97:1

This implies that the company can settle its current liabilities with its current asset when due

- Quick assets ratio=

 = 1.39:1

This implies that the company can settle its current liabilities with its liquid assets when due

- Receivables collection period = × 365

 = 113 days

This implies that it takes an average of 113 days for trade receivables to be paid

- Payables payment period= × 365

 = 195.6 days

This implies that it takes an average of 196 days for trade payables to remain unpaid

- Inventory turnover period= ×365

 = 123.4 days

This implies that it takes 123 days for inventory to remain in the store before they are sold

- Receivables turnover=

 = 3.21 times

This implies that it takes 3.21 times for trade receivables to be turned during the period

- Payables turnover=

 = 1.87 times

This implies that it takes an average of 1.9 times for payables to be turned during the period

- Inventory turnover=

 = 2.96 times

This shows the period it takes from which inventory are produced to when they are sold

(2)Efficiency or profitability ratio

- ROCE=

 = 0.13

This shows the total profitability of the company

- Gross profit percentage= × 100

 = 36.7%

This implies that the company makes a gross profit of 36.7% in relation to sales

- Net profit percentage= × 100

 = 3.35%

This shows that the company makes a net profit of 3.35% in respect to sales

(3)Shareholders ratio

- Price earnings ratio=

 = 1.22 times

This shows the number of years it will take to recoup shareholder’s investment

- Earnings yield= × 100

 = 82.2%

This shows that the company makes a profit of 82% from shareholders investment

- Dividend per share=

 = 0.88 Naira

This is the amount accruable to a shareholder for each share held

- Net asset per share=

 = 724.7 Naira

This implies there is a net asset of 724 Naira per share held

- Dividend payout ratio= × 100

 = 118.9%

This implies that there is a 119% payout to shareholders

- Dividend yield= × 100

 = 97.7%

This shows there is a current 97.7% return on shareholder’s investment

(4)Long term solvency ratio

- Gearing ratio=

 = 5.89

This shows the vulnerability of the company to financial risk

- Total debt to shareholders fund=

 = 14.8

The lower the debt to shareholders fund the greater the stability of the company and vice versa

**MAY BAKER NIGERIAN PLC**

(1)Short term solvency and liquidity ratio

- Current ratio=

 = 2.57:1

This shows the ability of the company to settle its current liabilities with its current asset when due

- Quick asset ratio=

 = 2.17:1

This shows the ability of the company to settle its current liabilities with its liquid assets when due

- Receivables collection period= × 365

 = 101 days

This shows that it takes 101 days for receivables to be collected

- Payables payment period= × 365

 = 87.1 days

This implies that it takes 87 days for payables to remain unpaid

 - Inventory turnover period= × 365

 = 104 days

This implies that it takes 104 days for inventories to remain in the store before they are being sold

- Receivables turnover=

 = 3.6 times

This implies that it takes 3.6 times for trade receivables to be turned during the period

 - Payables turnover=

 = 4.2 times

This implies that it takes 4.2 times for trade payables to be turned during the period

- Inventory turnover=

 = 3.5 times

This implies the period it takes inventory from when they are produced to when they are sold

 (2)Efficiency and profitability ratio

- ROCE=

 = 0.15%

This shows the total profitability of the company

- Gross profit percentage= × 100

 = 36.5%

This implies that the company makes a gross profit of 36.5% from sales

- Net profit percentage= × 100

 = 9%

This implies that the company makes a net profit of 9% from sales

(3) Investors ratio

- Price earnings ratio=

 = 5.7 times

This shows the period it will take for the company to recoup shareholder’s investment

- Earnings yield= × 100

 = 17.6%

This shows the company makes a profit of 17.6% on shareholder’s investment

- Dividend per share=

 = 0.2 Naira

This is the amount accruable to shareholders for each share held

- Dividend payout ratio= × 100

 = 52.63%

This implies 52.6% of the earnings are paid to shareholders

- Dividend yield= × 100

 = 9.6%

This implies that there is a 9.6% current return on shareholder’s investment

(4)Long term solvency ratio

- Total debt to shareholders fund=

 = 1.19

The lower the debt to shareholders fund the greater the stability of the company and vice versa

#  INDUTRIAL SECTOR

 **JULIUS BERGER**

(1)Short term solvency and liquidity ratio

- Current ratio=

 = 1.71:1

This implies that the company can settle off its current liabilities with its current asset

- Quick asset ratio=

 = 1.55:1

This implies that the company can settle its current liabilities with its liquid assets

- Receivables collection period= × 365

 = 150.5 days

This implies there is an average of 151 days before trade receivables are paid

- Payables payment period= × 365

 = 118.5 days

This implies there is an average of 119 days with which payables remain unpaid

- Inventory turnover= × 365

 = 28.3 days

This implies that it takes inventory 28 days in the store before it is sold

- Receivables turnover=

 = 2.4 times

This implies that trade receivables are turned 2.4 times during the period

- Payables turnover=

 = 3.08 times

This implies that it takes trade payables 3.08 times to be turned during the period

- Inventory turnover=

 = 12.9 times

This shows the total period with which inventory are produced to when they are sold

(2)Efficiency ratio

- ROCE=

 = 0.02

This shows the total profitability of the company

- Gross profit percentage= × 100

 = 22.35%

This implies that the company generates a 22.35 gross profit from sales

- Net profit percentage= × 100

 = 2.73%

This implies that the company generates a net profit of 2.73% from sales

(3)Shareholders ratio

-Price earnings ratio=

 = 0.14 years

This is the number of years it will take for the company to recoup shareholder’s investment

- Earnings yield=

 = 726%

This is the profit of the company from shareholders investment

- Dividend payout ratio= × 100

 = 55.1%

This implies that 55.1% of the earnings are paid to shareholders

- Dividend yield= × 100

 = 6.08%

This implies that there is a current return of 6.08% on shareholders fund

(4)Long term solvency ratio

- Total debt to shareholders share=

 = 15.04

The lower the total debt to shareholders share the greater the stability of the company and vice versa

**BETA GLASS**

(1)Short solvency and liquidity ratio

- Current ratio=

 = 2.01:1

This implies that the company can settle its current liabilities with its current assets if due

- Quick asset ratio=

 = 1.63:1

This implies that company can settle its current liabilities with its liquid assets when due

- Receivables collection period= 365

 = 192.9 days

This implies that it takes an average of 193 days for trade receivables to be collected

- Payables payment period= × 365

 = 154.5 days

This implies that it takes an average of 155 days for payables to remain unpaid

- Inventory turnover period= × 365

 = 103 days

This implies that it takes inventory an average of 103 days in the store before it is being sold

- Receivables turnover=

 = 1.43 times

This implies that trade receivables are turned 1.43 times during the period

- Payables turnover=

 = 2.4 times

This implies that payables are turned 2.4 times during the current period

- Inventory turnover=

 = 3.54 times

This shows the period it takes inventory from when they are produced to when they are sold

(2)Efficiency ratio

- ROCE=

 = 0.16 Naira

This shows the level of profitability of the business

- Gross profit margin= × 100

 = 24.2%

This implies that the company makes a gross profit of 24.2% in relation to sales

- Net profit percentage= × 100

 = 19.2%

This implies that the company makes a net profit of 19.2% in relation to sales

(3)Investors ratio

- Price earnings ratio=

 = 0.11 times

This shows the number of years it will take to recoup shareholder’s investment

- Earnings yield= × 100

 = 894.7%

This shows the profit gained by the company from shareholders investment

- Dividend per share=

 = 2.14 Naira

This shows the dividend accruable to a shareholder for each share held

- Dividend payout ratio= × 100

 = 21.17%

This implies that the company pays 21.17% to its shareholders from its earnings

- Dividend yield= × 100

 = 47.6%

This implies there is a current return of 47.6% on shareholder’s investment

(4)Long term solvency ratio

- Total debt to shareholders ratio=

 = 0.56

The lower the debt to shareholders ratio the greater the stability of the company and vice versa

#  OIL AND GAS SECTOR

**FORTE OIL**

(1)Short term solvency and liquidity ratio

- Current ratio=

 = 1.26:1

This implies that the company can settle its current liabilities with its current asset

- Quick asset ratio=

 = 1.02:1

This implies that the company can settle its current liabilities with its liquid assets if due

- Receivables collection period= × 365

 = 84.5 days

This implies that it takes the company 85 days before receivables are collected

- Payables payment period= × 365

 = 77.4 days

This implies that it takes 77 days for payables to remain unpaid

 - Inventory turnover period= × 365

 = 20.9 days

This implies that it takes inventory 21 days in the store before they are sold

 -Receivables turnover=

 = 4.3 times

This implies that trade receivables are turned 4.3 times during the period

- Payables turnover=

 = 5.15 times

This implies that payables are turned 5.15 times during the period

 - Inventory turnover=

 = 17.4 times

This implies the period it takes inventory from its production to when it is sold

 (2)Efficiency ratio

 - ROCE=

 = 0.03 Naira

This shows the total profitability of the company

 - Gross profit percentage= × 100

 = 8.4%

This shows that the company makes a gross profit of 8.4% from sales

 - Net profit percentage= × 100

 = 0.46%

This implies that the company makes a net profit 0.46% from sales

 (3) Investors ratio

-Price earnings ratio=

 = 13.9 times

This shows the number of years it will take for the company to recoup shareholder’s investment

 - Earnings yield= × 100

 = 7.21%

This shows the percentage of profit earned on shareholder’s investment

(4) Long term solvency ratio

- Total debt to shareholders funds=

 = 3.42 Naira

The lower the debt to shareholders ratio the greater the stability of the company and vice versa

 **CONOIL**

 (1)Short term solvency and liquidity ratio

 - Current ratio=

 = 1.32:1

This implies that the company can settle its current liabilities with its current asset

- Quick asset ratio=

 = 1.1:1

This implies that the company can settle its current liabilities with its liquid assets if due

- Receivables collection period= × 365

 = 83.9 days

This implies that it takes an average of 84 days for trade receivables to be collected

- Payables payment period= × 365

 = 119.5 days

This implies that it takes and average of 120 days for which trade payables remain unpaid

- Inventory turnover period= × 365

 = 0.07 days

This implies the number of days inventory remain in the store before they are sold

-Receivables turnover=

 = 4.35 times

This implies that trade receivables are turned 4.35 times during the period

 - Payables turnover=

 = 3.06 times

This implies that payables are turned 3.06 times during the period

- Inventory turnover=

 = 14.79 times

This implies the total period it takes inventory from its production to when it is sold

(2)Efficiency ratio

- ROCE=

 = 0.09 Naira

This show the total profitability of the company

-Gross profit percentage= × 100

 = 10.45%

This implies that the company makes a profit of 10.45% on sales

- Net profit percentage= × 100

 = 1.47%

This implies that the company makes a profit of 1.47% on sales

(3) Investors ratio

-Price earnings ratio=

 = 4.6 years

This shows the number of years it will take for the company to recoup shareholders fund

- Earnings yield= × 100

 = 21.5%

This shows that the company makes a profit of 21.5% on shareholder’s investment

- Dividend per share=

 = 2 Naira

This shows that 2 Naira is accruable to shareholders for each share held

- Dividend payout ratio= × 100

 = 77.2%

This is the portion of earnings which is paid to shareholders

- Dividend yield= × 100

 = 16.6%

This shows there is a current return of 16.6% on shareholders fund

(4)Long term solvency ratio

- Gearing ratio=

 = 0.26

This shows the vulnerability of the company to financial risk

- Total debt to shareholders fund=

 = 2.33 Naira

 The lower the debt to shareholders fund the greater the stability of the company and vice versa

#  TECHNOLOGY AND TELECOMMUNICATION

 **CHAMS PLC**

(1)Short term solvency and liquidity ratio

- Current ratio=

 = 0.41:1

This implies that the company cannot settle its current liabilities with its current assets if due

- Quick asset ratio=

 = 0.37:1

This implies that the company cannot settle its current liabilities with its liquid assets if due

- Receivables collection period= × 365

 = 396.8 days

This implies that it takes 397 days for trade receivables to be received

- Payables payment period= × 365

 = 1043 days

This implies that it takes 1043 days for payables to remain unpaid

- Inventory turnover period= × 365

 = 81.5 days

This implies that it takes 82 days for inventory to stay in the store before they are being sold

- Receivables turnover=

 = 0.92 times

This implies that trade receivables are turned 0.92 times during the period

- Payables turnover=

 = 0.21 times

This implies that trade payables are turned 0.21 times during the period

- Inventory turnover=

 = 4.48 times

This refers to the period with which inventory are produced to when they are sold

(2)Efficiency ratio

- ROCE=

 = 0.10 Naira

This shows the overall profitability of the company

- Gross profit margin= × 100

 = 40.75%

This means that the company makes a profit of 40.75% from sales

- Net profit margin= × 100

 = 66%

This means that the company makes a profit of 66% from sales

(3) Investors ratio

- Price earnings ratio=

 = 20.75 times

This is the number of years it will take the company to recoup shareholders investment

- Earnings yield= × 100

 = 4.82%

This means that the company makes a profit of 4.82% from shareholders investment

(4)Long term solvency ratio

- Total debt to shareholders fund=

 = 0.4

The lower the debt to shareholders fund the greater the stability of the company and vice versa

**E-TRANZACT**

(1)Short term solvency ratio

- Current ratio=

 = 0.73:1

This implies that the company cannot settle its current liabilities with its current asset

- Quick asset ratio=

 = 0.66:1

This implies that the company cannot settle its current liabilities with its liquid assets if due

- Receivables collection period= × 365

 = 21.9 days

This implies that there is an average of 22 days before receivables are paid

- Payables payment period= × 365

 = 86.13 days

This implies that there is an average of 86 days with which payables remain unpaid

- Inventory turnover period= × 365

 = 6.8 days

This implies that inventory remain in the store for an average of 7 days before they are being sold

- Receivables turnover=

 = 0.06 times

This implies that receivables are turned 0.06 times within the period

- Payables turnover=

 = 0.22 times

This implies that payables are turned 0.22 times during the period

- Inventory turnover=

 = 0.02 times

This shows the period from which inventory is produced to when it is sold

(2)Efficiency ratio

- ROCE=

 = 9.3 Naira

This shows the overall profitability of the company

- Gross profit margin= × 100

 = 8.7%

This implies that there is a 8.7% gross profit on sales

- Net profit margin= 0

(3) Investors ratio

- Price earnings ratio=

 = (0.87)

This implies that it will take 0.87 years for the company to recoup shareholders fund

- Earnings yield= × 100

 = (115.4%)

This implies that the company has made a loss of 15% on shareholder’s investment

- Dividend per share=

 = (0.1 Naira)

This implies that there is a loss of 0.1 Naira to all shareholders

- Dividend payout ratio= × 100

 = (13.3%)

This implies that there is a loss of 13.3% that is accruable to all shareholders

- Dividend yield= × 100

 = (15.38%)

This implies that there is a current loss of 15.38% on shareholder’s investment

(4)Long term solvency ratio

- Gearing ratio=

 = 0.94 Naira

This shows the level of vulnerability of the company to financial risk

- Total debt to shareholders funds=

 = 36.37

The lower the debt to shareholders fund the greater the stability of the company and vice versa