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**COURSE TITTLE:** INTERMIDIATE FINANCIAL ACCOUNTING

**TITLE OF TERM PAPER:** ACCOUNTING RATIOS

**ASSIGNMENT:** TERM PAPER ON RATIO ANALYSIS

**COMPUTATION OF RATIO ANALYSIS OF DIFFERENT COMPANIES LISTED BELOW.**

**GROUP 1:** BASIC MATERIAL

 Boc gases Nigeria plc. 2018

 Portland paint and produce Nigeria plc. 2018

**GROUP 2:** CONSUMER GOODS

 Nigeria breweries company plc. 2018

 Guinness Company Nigeria 2018

**GROUP 3:** CONSUMER SERVICES

 ABC transport plc. 2018

 ABC transport plc. 2019

 Capital hotel plc. 2018

 Capital hotel plc. 2019

**GROUP 4:** FINANCIAL

**GROUP 5:** HEARLTH CARE AND SERVICES

 May and baker Nigeria plc. (M & B) 2018

 GlaxoSmithKline consumer Nigeria plc. (Gsk report) 2018

**GROUP 6:** INDUSTRIAL COMPANY

 Julius Berger company 2018

 Julius Berger company 2019

 Beta glass company 2018

 Beta glass company 2019

**GROUP 7:** OIL AND GAS ANNUAL REPORT

 Oando oil company 2018

 Mobile oil company 2018

**GROUP 8** TECHNOLOGY AND TELECOMMUNCIATION ANNUAL REPORT

 Omatek ventures plc. 2018

 Omatek ventures plc. 2019

 Cwg company plc. 2018

 Cwg company plc. 2019

**Basic materials group 1**

**Boc Gases Nigeria plc. 2018**

**Short term solvency and liquidity ratios**

1. Working capital ratio

Current ratio = current asset/current liability

2,119,056,000/1,298,954,000

 = 1:6:3%

Boc Gases current ratio has 1.6.3 which means it will not be able to pay back it debt because the proper ratio is from 2:1:1.

1. Quick asset/ acid test ratio

Current asset – inventory / current liability

2,119,056,000– 156,404,000 / 1,298,954,000

1,962,652,000 / 1,298,954,000

 =1:5:1%

The quick asset has 1:5:1 which means that it can function it business activities properly because the proper ratio is from 1:1 but if it has up to 1:0 it can be able to function also

1. Receivable collection period

Average trade receivable/credit sales \*365days/1

425,776,000/2,869,713,000 \* 365days/1

 =54.2days =54days

Receivable collection has 54days it simply means that receivable collection had their trade receivable to be collected for a lesser days compare to that of capital hotel plc. 2018 who has 99days.

1. Payable payment period

Average trade payable/credit purchases \*365days/1

1,026,198,000/1,425,662,000 \* 365days/1

 =262.73days =263days

Payable payment has 263days it means that Boc Gases have not been able to pay their trade payable for 263days and Portland paint has 104.5days which is considered as an option for investors because lower days are better off for them.

1. Inventory Turn-over

Average inventory/cost of sales \* 365days/1

156,404,000/1,425,662,000 \* 365days/1

 =40.0days =40days

Boc Gases has 40days which means that they store their goods for 40days which is good for the business because it has shorter days but Portland paint has 151.5days which means Portland paint uses longer days to store their goods

1. Receivable Turn-over

Credit sales / average receivable

2,869,713,000 / 425,776,000

 =6.74% =7times

Boc Gases receivable turn-over has 7times which means that it takes it up to 7times before trade received are turnover during the reporting period Portland paint has 6times which is not good because the higher the time the better so Boc Gases will be considered.

1. Payable Turn-over

Credit purchases / average trade payables

1,425,662,000 / 1,026,198,000

 =1.4times

Payable turn-over has 1.4times it simply means that it take up to 1.4times before trade payable are turned over during the period but Portland pain has 23.4times, in this case Boc Gases is considered prefect because it has the shorter time

1. Inventory turn-over / activity ratio

Cost of sales / average inventory

1,425,662,000 / 156,404,000

 =9.12%

**Efficiency / profitability ratio**

1. Roce = profit before interest and tax / capital present long term loan

558,569,000 / 134,102,000

 =4.2%

Boc Gases has 4.2 it means that they are more efficient in using resources and uses their resources effectively.

1. Gross profit margin / percentage

Gross profit / sales \* 100 / 1

1,444,051,000 / 1,425,662,000 \* 100 / 1

 =101.289% =101.29%

1. Net profit margin

Net profit / sales \* 100 / 1

357,604,000 / 1,425,662,000 \* 100 / 1

 =25.08%

1. Return on capital employed

Profit after tax / equity \* 100 / 1

357,604,000 / 2,662,537,000 \* 100 / 1

 =13.4%

**Investors / shareholders ratios**

1. Basic and diluted earnings per share =12%

**Long-term solvency and Stability Ratios**

1. Gearing ratio

Debt / equity

529,765,000 / 2,662,537,000

 =0.2%

Boc Gases 2018 to be able to geared it must have up to 0.5 but it has 0.2 that means it is not yet geared and the Portland paint has 9.1

 OR

 Debt/debt + equity

 529,765,000 / 529,765,000 + 2,662,537,000

 529,765,000 / 3,192,302,000

 =0.17%

1. Total debt to shareholders fund

Non-current liabilities + current liabilities / equity

529,765,000 + 1,298,954,000 / 2,662,537,000

1,828,719,000 / 2,662,537,000

 =0.69%

 **FOR PORTLAND PAINT AND PRODUCTS NIGERIA PLC 2018.**

**Short term solvency and liquidity ratios**

1. Working capital ratio

Current ratio = current asset/current liability

1,718,570,000 / 700,439,000

 =2:4:5%

Portland paint current ratio has 2:4:5 which means it will not be able to pay back it debt because the proper ratio is from 2:1:1

1. Quick asset/ acid test ratio

Current asset – inventory / current liability

1,718,570,000 – 728,047,000 /700,439,000

 990,523,000 / 700,439,000

 =1:4:1%

The quick asset has 1:4:1 which means that it can function it business activities properly because the proper ratio is from 1:1 but if it has up to 1:0 it can be able to function also

1. Receivable collection period

Average trade receivable/credit sales \*365days/1

476,180,000 / 2,829,262,000 \* 365days /1

 =61.43%

Receivable collection has 54days it simply means that receivable collection had their trade receivable to be collected for a lesser days compare to that of Portland paint plc. 2018 who has 61.43days.

1. Payable payment period

Average trade payable/credit \*365days /1

501,988,000 / 1,753,972,000 \* 365days /1

 =104.5%

Payable payment has 104.5days it means that Portland paint have not been able to pay their trade payable for 104.5days and Boc Gases has 263days which is not considered as an option for investors because lower days are better off for them.

1. Inventory Turn-over

Average inventory/cost of sales \* 365days/1

728,047,000 / 1,753,972,000 \* 365days /1

 =151.5days

Portland paint has 151.5days which means that they store their goods for 151.5days which is not good for the business but Boc Gases has 40days which means Boc Gases uses shorter days to store their goods

1. Receivable Turn-over

Credit sales / average receivable

2,829,262,000 /467,180,000

 =5.9times =6times

Portland paint receivable turn-over has 6times which means that it takes it up to 6times before trade received are turnover during the reporting period, Boc Gases has 7times which is good because the higher the time the better so Boc Gases will be considered.

1. Payable Turn-over:

Credit purchases / average trade payables

11,753,972,000 / 501,988,000

 =23.4times

Payable turn-over has 23.4times it simply means that it take up to 23.4times before trade payable are turned over during the period but Boc Gases has 1.4times in this Boc Gases is considered prefect because it has the shorter time

1. Inventory turn-over / activity ratio:

Cost of sales / average inventory

11,753,972,000 /728,047,000

 =2.41%

**Efficiency / profitability ratio**

1. Roce = profit before interest and tax / capital present long term loan

307,533,000 / 14,048,000

=21.89

1. Gross profit margin or percentage

Gross profit / sales \* 100 / 1

1,075,290,000 / 1,753,972,000 \* 100 / 1

 =61.31%

1. Net profit margin

Net profit / sales \* 100 / 1

206,693,000 / 1,753,972,000 \* 100 / 1

 =11.78

1. Return on capital employed

Profit after tax / equity \* 100 / 1

 206,693,000 / 1,536,981,000 \* 100 / 1

 =13.45%

**Investors / shareholders ratios**

1. Basic earnings per share =20%

**Long-term solvency and Stability Ratios**

1. Gearing ratio

Debt / equity =14,048,000 / 1,536,981,000

 =9.1%

Portland paint 2018 to be able to geared it must have up to 0.5 but it has 9.1% that means it is very geared and the Boc Gases has 0.2%

 OR

 Debt/debt + equity =14,048,000 / 14,048,000 + 1,536,981,000

 =9.1%

It has 9.1 which makes it to be properly geared. Because for it to be fully geared it most start from 0.5

1. Total debt to shareholders fund:

Non-current liabilities + current liabilities / equity

14,048,000 + 700,439,000 / 1,536,981,000

714,487,000 / 1,536,981,000

 =0.5%

**CONSUMERS GOODS** **GROUP 2**

**NIGERIAN BREWERIES COMPANY PLC: 2018**

**Short term solvency and liquidity ratios**

1. Working capital ratio

Current ratio = current asset/current liability

86,284,102,000 / 139,695,428,000

 =0:6:2%

Nigerian breweries has 0:6:2% they won’t be able to pay their debt but Guinness plc. Has 3:5:7%which means that they will be able to pay their debt because the normal ratio start from 2:1:1%.

1. Quick asset/ acid test ratio

Current asset – inventory / current liability

86,284,102,000 – 32,506,824,000 / 139,695,428,000

53,777,278,000 / 139,695,428,000

 =0:3:8%

Quick asset has 0:3:8% they are not able to pay debt compare to Guinness plc. Who has 3:1:3% and the required start from 1:1% but if they have up to 1:0% they will be able to also pay their debt off.

1. Receivable collection period

Average trade receivable/credit sales \*365days/1

53,153,451,000 / 350,226,472,000 \* 365days /1

 =36.64%

Nigerian breweries has 36.64days which means that they had their trade receivable to be collected for 36.64days compare to Guinness who has there’s for 60.99days that means the investors should invest in Nigerian breweries because they use lesser days.

1. Payable payment period

Average trade payable/credit purchases \*365days /1

114,151,861,000 / 197,484,694,000 \* 365days /1

 =210.98%

It toke them 210.98days which is longer than that of Guinness plc who has 121ddays so the investors need to invest on the one that has shorter days.

1. Inventory Turn-over

Average inventory/cost of sales \* 365days/1

32,506,825,000 / 197,484,694,000 \* 365days /1

 =60.1%

Nigerian breweries has 60days which means that it takes up to 60days for them to store their goods before taking out of the store which is good for the investors but Guinness toke 74days before they were able to take out the stock.

1. Receivable Turn-over

Credit sales / average receivable

350,226,472,000 /35,506,824,000

 =9.9%

Nigerian breweries has 9times which means that it take up to 9times before trade received are turn over during the reporting period and also the higher the better but Guinness takes only 6times before they return the trade received.

1. Payable Turn-over

Credit purchases / average trade payables

197,484,694,000 / 114,151,861,000

 =1.7%

Payable turnover has 1.7times which means that it take up to 1.7times before trade payable are turned over during the period in this case the shorter the better and Guinness has 3.0times which is shorter than that of Nigerian breweries so the investors should invest in Guinness because they have shorter times.

1. Inventory turn-over / activity ratio

Cost of sales / average inventory

197,484,694,000 / 32,506,824,000

 =6.1%

Inventory turnover takes 6.1% from the date in which they are purchase and produce compare to Guinness who has 3.95%breweries is more preferable because the higher the inventory turn the higher the profit that will be derived and as for that of Guinness who has lower percentage of 3.95% will derive lower profit and the investors will not be able to make sufficient profit.

**Efficiency / profitability ratio**

1. Roce = profit before interest and tax / capital present long term loan

=29,421,952,000 / 41,127,565,000

 =0.72%

Breweries has 0.72% which means that they used their resources effectively but Guinness has 1.23 that simply means that they use their resources efficiently.

1. Gross profit margin

Gross profit / sales \* 100 / 1

126,903,806,000 / 197,484,694,000 \* 100 / 1

 =64.26%

The average percentage that was sold of breweries is 64.3%

1. Net profit margin

Net profit / sales \* 100 / 1

 19,437,944,000 / 197,484,694,000 \* 100 / 1

 =9.8%

1. Return on capital employed

Profit after tax / equity \* 100 / 1

19,437,944,000 / 166,828,452,000 / 100 / 1

 =11.65%

**Investors / shareholders ratios**

1. Basic earnings per share =13%

**Long-term solvency and Stability Ratios**

1. Gearing ratio

Debt / equity

=81,738,989,000 / 166,828,452,000

 =0.5%

Breweries has 0.5% which means that it is well geared but for that of Guinness who has 0.26% will need to get up to 0.5% before it can be geared.

 OR

 Debt/debt + equity

 =81,783,989,000 / 81,783,989,000 + 166,828,452,000

 =81,783,989,000 / 248,567,441,000

 =0.32%

It has 0.32% which is more preferable to that of Guinness who has 0.21%but they both need to get up to 0.5 before it can be fully geared.

1. Total debt to shareholders fund

Non-current liabilities + current liabilities / equity

81,738,989,000 + 139,695,428,000 / 166,828,452,000

221,434,417,000 / 166,828,452,000

 =1.33%

**GUINNESS COMPANY NIGERIA 2018**

**Short term solvency and liquidity ratios**

1. Working capital ratio

Current ratio = current asset/current liability

54,610,047,000 / 42,847,115,000

 =1.27.1%

They have 3:5:7% it means that they will be able to pay their debt compare to Nigerian breweries who has only 0:6:2%

1. Quick asset/ acid test ratio

Current asset – inventory / current liability

54,610,047,000 – 19,032,362,000 / 42,847,115,000

134,222,606,000 / 42,847,115,000

 =0.83.1%

Quick asset has 3:1:3% they can pay their debt because they have beyond the expected required which is 1:1% but is one has up to 1:0% they can also be able to pay their debt compare to Nigerian breweries who has 0:3:8%

1. Receivable collection period

Average trade receivable/credit sales \*365days/1

23,890,304,000 / 142,975,792,000 \* 365days /1

 =60.99%

Receivable collection has 60.99days they used longer days before trade receivable was collected compare to Nigerian breweries who has 36.64days they use shorter days before their trade receivable was collected so they should invest in Nigerian breweries.

1. Payable payment period

Average trade payable/credit \*365days /1

31,175,725,000 / 94,350,387,000 \* 365days /1

 =120.61%

The payable period has 121days they shorter days before they pay their trade payables but Nigerian breweries toke 210.98days which is higher than that of Guinness plc. And the investors will be able to benefit from them.

1. Inventory Turn-over

Average inventory/cost of sales \* 365days/1

19,032,362,000 / 94,350,387,000 \* 365days /1

 =73.63%

Guinness takes 74days to store their goods before taking out of the store on like breweries who only store for 60days before taking out of the store that is they store for shorter period.

1. Receivable Turn-over

Credit sales / average receivable

142,975,792,000 / 23,890,304,000

 =5.98%

Guinness takes 6times before trade receivable are turnover during the reporting period but breweries takes 9times in this case the higher the better so the investors will benefit more if he invest on breweries.

1. Payable Turn-over

Credit purchases / average trade payables

94,350,387,000 / 31,175,725,000

 =3.03%

Payable turnover takes 3.0time which means that it take up to 3.0time before trade payable are turned over during the period and breweries has 1.7time that means breweries is more preferable to Guinness because shorter times are better off for the investors

1. Inventory turn-over / activity ratio

Cost of sales / average inventory

94,350,387,000 / 23,890,304,000

 =3.95%

Inventory turnover take 3.95times from the date in which they are purchase and produce compare to that of breweries who has 60.1times breweries will pay off better to the investors because the higher the inventory turn the higher the benefit the will be derived but as for Guinness who has 3.95times it will derive lesser benefit.

**Efficiency / profitability ratio**

1. Roce = profit before interest and tax / capital present long term loan

=9,943,164,000 / 8,116,367,000

 =1.23%

Guinness was able to use their resources efficiently because they had 1.23 left but breweries has 0.72 it simply means that they use resources effectively.

1. Gross profit margin or percentage:

Gross profit / sales

48625405000 /94350387000 \* 100 / 1

 =51.5%

The average percentage that was sold of Guinness is 51.5% and that of Nigerian breweries is 64.3%.

1. Net profit margin

Net profit / sales \* 100 / 1

6,717,605,000 / 94,350,387,000 \* 100 / 1

 =7.1%

**Long-term solvency and Stability Ratios**

1. Gearing ratio

Debt / equity

=22,819,679,000 / 87,588,174,000

 =0.26%

Guinness has 0.26 which means that is it not geared compare to that of breweries who has 0.5 and is well geared.

 OR

 Debt/debt + equity

 =22,819,679,000 / 22,819,679,000 + 87,588,174,000

 =22,819,679,000 / 110,407,853,000

 =0.21%

Guinness has 0.21 but breweries has 0.32 in this case breweries will be considered more beneficial to the investors because they have 0.32 which is higher than that of Guinness plc.

1. Total debt to shareholders fund

Non-current liabilities + current liabilities / equity

22,819,679,000 + 42,847,115,000 / 87,588,174,000

65,666,794,000 / 87,588,174,000

 =0.75%

**CONSUMER SERVICES** **GROUP 3**

**ABC TRANSPORT PLC: 2018**

**Short term solvency and liquidity ratios**

1. Working capital ratio

Current ratio = current asset/current liability

1,824,309,000 / 2,249,247,000

 = 0:8:1%

ABC transport current ratio has 0.8.1 which means it will not be able to pay back it debt because the proper ratio is from 2:1:1

1. Quick asset/ acid test ratio

Current asset – inventory / current liability

 1,824,309,000 – 853,448,000 / 2,249,247,000

970,861,000 / 2,249,247,000

 =0:4:3%

The quick asset has 0:4:3 which means that it cannot function it business activities properly because the proper ratio is from 1:1 but if it has up to 1:0 it can be able to function

1. Receivable collection period

Average trade receivable/credit sales \*365days/1

326,642,000 / 4,743,755,000 \* 365days /1

 =25.1days =25days

Receivable collection has 25days it simply means that receivable collection had their trade receivable to be collected for a lesser days compare to that of capital hotel plc. 2018 who has 99days.

1. Payable payment period

Average trade payable/credit \*365days /1

1,369,191,000 / 3,704,150,000 \* 365days /1

 =134.9days =135days

Payable payment has 135days it means that ABC transport have not been able to pay their trade payable for 135days and capital hotel has 178 which is not considered as an option for investors because lower days are better off for them.

1. Inventory Turn-over

Average inventory/cost of sales \* 365days/1

853,448,000 / 3,704,150,000 \* 365days /1

 =84.1days =84days

ABC transport has 84days which means that they store their goods for 84days which is not good for the business but capital hotel has 11days which means capital hotel uses shorter days to store their goods

1. Receivable Turn-over

Credit sales / average receivable

4,743,755,000 / 326,642,000

 =14.5times =15times

ABC transport receivable turn-over has 15time which means that it takes it up to 15times before trade received are turnover during the reporting period capital hotel has 3.69 which is not good because the higher the time the better so ABC transport will be considered.

1. Payable Turn-over

Credit purchases / average trade payables

3,704,150,000 / 1,369,191,000

 =3time =3times

Payable turn-over has 3times it simply means that it take up to 3times before trade payable are turned over during the period but capital hotel has 2.05 in this case capital hotel is considered prefect because it has the shorter time

1. Inventory turn-over / activity ratio

Cost of sales / average inventory

3,704,150,000 / 853,448,000

 =4.34% =4times

 **Efficiency / profitability ratio**

1. Roce = profit before interest and tax / capital present long term loan

=56,980,000 / 76,754,000

 =0.7%

ABC transport has 0.7 it means that they are more efficient in using resources, compare to that of capital hotel who has 0.5 and uses their resources effectively Gross profit margin

1. Gross profit / sales \* 100 / 1

1,039,605,000 / 3,704,150,000 \* 100 / 1

 =28.07%

The average percentage that was sold of breweries is 28.07%

1. Net profit margin

 Net profit / sales \* 100 / 1

 66,166,000 / 3,704,150,000 \* 100 / 1

 =1.79%

1. Return on capital employed

 Profit after tax / equity \* 100 / 1

 66,166,000 / 1,827,669,000 / 100 / 1

 =0.36%

**Investors / shareholders ratios**

1. Basic earnings per share =%

**Long-term solvency and Stability Ratios**

1. Gearing ratio

Debt / equity

=380,075,000 / 1,558,307,000

 =0.24%

ABC transport 2018 to be able to geared it must have up to 0.5 but it has 0.24 that means it is not yet geared and the capital hotel has 0.2

 OR

 Debt/debt + equity

 =380,075,000 / 380,075,000 + 1,558,307,000

 =380,075,000 / 1,938,382,000

 =0.196% =0.2

It has 0.2 which makes it not to be properly geared for it to be fully geared it most have up to 0.5

1. Total debt to shareholders fund

Non-current liabilities + current liabilities / equity

380,075,000 + 2,249,247,000 / 1,558,307,000

2,629,322,000 / 1,558,307,000

 =1.687%

**ABC TRANSPORT PLC 2019**

**Short term solvency and liquidity ratios**

1. Working capital ratio

Current ratio = current asset/current liability

1,655,318,000 / 2,318,392,000

 =0.7%

ABC transport has 0:7:2 which means it will not be able to pay back it debt because the proper ratio is from 2:1:1

1. Quick asset/ acid test ratio

Current asset – inventory / current liability

 1,655,318,000 – 705,393,000 / 2,318,392,000

2,360,711,000 / 2,318,392,000

 =1.0%

Quick asset has 1:0:2 which means that it will be able to pay back it debt because the normal ratio is from 1:1:1but if they have up to 1:0:0 then they will be able to pay off their debt also.

1. Receivable collection period

Average trade receivable/credit sales \*365days/1

339,329,000 / 1,382,842,000 \* 365days /1

 =89.57days =90days

ABC transport has 90days it simply means that the ABC transport had their trade receivable to be collected for lesser days

1. Payable payment period

Average trade payable/credit purchase \*365days /1

1,483,476,000 / 1,069,685,000 \* 365days /1

 =506.2days =506days

Payable period has 506days it means that ABC transport have not been able to pay their trade payable for 506days the lowest ones are more preferable than the other ones

1. Inventory Turn-over

Average inventory/cost of sales \* 365days/1

705,393,000 / 1,069,685,000 \* 365days /1

 =240.7days =241days

ABC transport inventory turnover has 241days it means that they store their goods for 241days which may not be good for their business.

1. Receivable Turn-over

Credit sales / average receivable

1,382,842,000 / 339,329,000

 =4.1times

The ABC transport receivable turnover has 4.1times which means that it take up to 4.1times before trade received are turn over during the reporting period and also the higher it is the better.

1. Payable Turn-over

Credit sales / average trade payables

1,069,685,000 / 1,483,476,000

 =0.7%

Payable turnover has 0.7times which that it takes up to 0.7times before trade payables are turned over during the period and also the shorter the better.

1. Inventory turn-over / activity ratio

Cost of sales / average inventory

1,069,685,000 / 705,393,000

 =1.52%

Inventory turnover take 1.52times from the date in which they are purchase and produce in this case the higher the inventory turn the higher that the profit that will be derived and also the lower the inventory turn the lower the profit that will be derived also.

 **Efficiency / profitability ratio**

1. Roce = profit before interest and tax / capital present long term loan

=28,335,000 / 267,058,000

 =0.11%

ABC transport 2019 ROCE has 0.11% which means that they use their resources effectively

B) Gross profit / sales \* 100 / 1

313,157,000 / 1,069,685,000 \* 100 / 1

 =29.28%

The average percentage that was sold of ABC transport is =29.28%

C) Net profit margin

 Net profit / sales \* 100 / 1

 3,280,000 / 1,069,685,000 \* 100 / 1

 =0.31%

D) Return on capital employed

 Profit after tax / equity \* 100 / 1

 4,486,000 / 1,378,372,000 \* 100 / 1

 =00.33%

**Investors / shareholders ratios**

1. Basic earnings per share =0.27%

**Long-term solvency and Stability Ratios**

1. Gearing ratio

Debt / equity

=614,457,000 / 1,378,372,000

 =0.45%

For ABC transport 2019 to be able to geared it most have up to 0.5% since it has up to 0.5% that means it is geared

 OR

 Debt/debt + equity

 =614,457,000 / 614,457,000 + 1,378,372,000

 =614,457,000 / 1,992,829,000

 =0.31%

1. Total debt to shareholders fund

Non-current liabilities + current liabilities / equity

614,457,000 + 2,318,392,000 / 1,378,372,000

2,932,849,000 / 1,378,372,000

 =2.1%

**CAPITAL HOTEL PLC: 2018**

**Short term solvency and liquidity ratios**

1. Working capital ratio

Current ratio = current asset/current liability

5,698,295,000 / 2,630,478,000

 =2:1:7%

Capital hotel current ratio has 2:1:7 it means it will be able to pay back it debt because the proper ratio is from 2:1:1 but ABC transport has 0:8:1

1. Quick asset/ acid test ratio

Current asset – inventory / current liability

 5,698,295,000 – 141,990,000 / 2,630,478,000

5,556,305,000 / 2,630,478,000

 =2:1:1%

The quick asset has 2:1:1 which means that it can function it business activities properly because the proper ratio is from 1:1 but if it has up to 1:0 it can be able to function but ABC has 0:4:3 and cannot be considered as an option so the capital hotel will be more preferable

1. Receivable collection period

Average trade receivable/credit sales \*365days/1

1,620,077,000 / 5,977,436,000 \* 365days /1

 =98.9days =99days

 Receivable collection has 99days it simply means that receivable collection had their trade receivable to be collected for a higher days compare to that of ABC transport plc. 2018 which means that ABC transport 2018 should be considered because it takes lesser day.

1. Payable payment period

Average trade payable/credit \*365days /1

2,378,096 / 4,869,732,000 \* 365days /1

 =178days

Payable payment has 178days it means that ABC transport have not been able to pay their trade payable for 178days but ABC transport has 135 in this case the lowest one are more preferred.

1. Inventory Turn-over

Average inventory/cost of sales \* 365days/1

141,990,000 / 4,869,732,000 \* 365days /1

 =10.6%

The capital hotel has 11days which means that they store their goods for 11days which is good for the business but ABC transport has 84days.

1. Receivable Turn-over

Credit sales / average receivable

5,977,436,000 / 1,620,077,000

 =3.69%

Capital hotel receivable turn-over has 3.69time which means that it takes it up to 3.69times before trade received are turnover during the reporting period and the ABC transport takes 15times in this case the higher the time the better for investors so the ABC transport will be preferred.

1. Payable Turn-over

Credit purchases / average trade payables

4,869,732,000 / 2,378,096,000

 =2.05%

Payable turn-over has 2.05times it simply means that it take up to 2.05times before trade payable are turned over during the period but ABC transport has 3times.

1. Inventory turn-over / activity ratio

Cost of sales / average inventory

4,869,732,000 / 141,990,000

 =34.3%

**Efficiency / profitability ratio**

1. Roce = profit before interest and tax / capital present long term loan

=507,781,000 / 1,029,358,000

 =0.5%

Capital hotel has 0.5 it means that they are more efficient in using resources, compare to that of ABC transport has 0.7 and uses their resources effectively so the ABC transport will be considered more real

1. Gross profit / sales \* 100 / 1

 1,107,704,000 / 4,869,732,000 \* 100 / 1

 =22.76%

The average percentage that was sold of capital hotel is 22.76%

1. Net profit margin

 Net profit / sales \* 100 / 1

 379,946,000 / 4,869,732,000 \* 100 / 1

 =7.80%

1. Return on capital employed

 Profit after tax / equity \* 100 / 1

 379,946,000 / 6,416,983,000 / 100 / 1

 =5.9%

**Investors / shareholders ratios**

A) Basic earnings per share =13%

 **Long-term solvency and Stability Ratios**

1. Gearing ratio

Debt / equity

=1,029,358,000 / 6,416,983,000

 =0.2%

The capital hotel 2018 to be able to geared it must have up to 0.5 but it has 0.2 that means it is not yet geared and ABC transport has 0.24 and is better than capital hotel which is 0.2

 OR

 Debt/debt + equity

 =1,029,358,000 / 1,029,358,000 + 6,416,983,000

 =1,029,358,000 / 7,446,341,000

 =0.14%

It has 0.14 which makes it not to be properly geared for it to be fully geared it most be up to 0.5

1. Total debt to shareholders fund

Non-current liabilities + current liabilities / equity

1,029,358,000 + 2,630,478,000 / 6,416,983,000

3,659,836,000 / 6,416,983,000

 =0.6%

**CAPITAL HOTEL 2019**

**Short term solvency and liquidity ratios**

1. Working capital ratio

Current ratio = current asset/current liability

3,772,642,000 / 3,122,305,000

 =1:2:0%

They have 1:2:0% it means that they will be able to pay their debt compare to ABC transport who has only 0:7:1%

1. Quick asset/ acid test ratio

Current asset – inventory / current liability

 3,772,642,000 – 79,177,000 / 3,122,305,000

3,693,465,000 / 3,122,305,000

 =1:1:8%

Quick asset has 1:1:8% they can pay their debt because they have beyond the expected required which is 1:1% but if one has up to 1:0% they can also be able to pay their debt compare to ABC transport who has 1:0:2% they can also pay their debt but capital hotel is more preferable because it has higher percentage

1. Receivable collection period

Average trade receivable/credit sales \*365days/1

540,908,000 / 1,180,402,000 \* 365days /1

 =167.3days

Receivable collection has 167.3days they used longer days before trade receivable was collected compare to ABC transport who has 90days they use shorter days before their trade receivable was collected so they should invest in ABC transport because they have lesser days.

1. Payable payment period

Average trade payable/credit purchase \*365days /1

2,935,852,000 / 1,017,905,000 \* 365days /1

 =1052.74days

The payable period ha 1052.74days they shorter days before they pay their trade payables but ABC transport toke 506days which is lesser than that of capital hotel plc. And the investors will be able to benefit from them.

1. Inventory Turn-over

Average inventory/cost of sales \* 365days/1

79,177,000 / 1,017,905,000 \* 365days /1

 =28.4days

Capital hotel takes 28.4days to store their goods before taking out of the store on like ABC transport who only store for 240.7days before taking out of the store, which is they store for longer period.

1. Receivable Turn-over

Credit sales / average receivable

1,180,402,000 / 540,908,000

 =2.2times

Capital hotel takes 2.2times before trade receivable are turnover during the reporting period but ABC transport takes 4.1times in this case the higher the better so the investors will benefit more if he invest on ABC transport.

1. Payable Turn-over

Credit sales / average trade payables

1,017,905,000 / 2,935,852,000

 =0.35times

Payable turnover takes 0.35time which means that it take up to 0.35time before trade payable are turned over during the period and ABC transport has 0.7time that means ABC transport is more preferable to capital hotel because shorter times are better off for the investors

1. Inventory turn-over / activity ratio

Cost of sales / average inventory

1,017,905,000 / 79,177,000

 =12.86times

Inventory turnover take 12.86times from the date in which they are purchase and produce compare to that of ABC transport who has 1.52times, capital hotel will pay off better to the investors because the higher the inventory turn the higher the benefit the will be derived but as for ABC transport who has 1.52times it will derive lesser benefit.

**Efficiency / profitability ratio**

1. Roce = profit before interest and tax / capital present long term loan

 10,775,000 / 861,629,000

 =0.013%

Capital hotel was able to use their resources effectively because they had 0.013% left but ABC transport has 0.11% it simply means that they use resources effectively.

1. Gross profit margin / percentage

 Gross / sales \* 100 / 1

 162,497,000 /1,017,905,000 \* 100 / 1

 =15.96%

The average percentage that was sold of capital hotel is 15.96%.

1. Net profit margin

 Net profit / sales \* 100 / 1

 18,670,000 / 1,017,905,000 \* 100 / 1

 =1.5%

1. Return on capital employed

 Profit after tax / equity \* 100 / 1

 18,670,000 / 6,398,919,000 \* 100 / 1

 =0.29%

 **Long-term solvency and Stability Ratios**

1. Gearing ratio

Debt / equity

=861,629,000 / 6,398,919,000

 =0.13%

Capital hotel has 0.13% which means that is it not geared compare to that of breweries who has 0.5 and is well geared.

 OR

 Debt/debt + equity

 =861,629,000 / 861,629,000 + 6,398,919,000

 =861,629,000 / 7,260,548,000

 =0.12%

Capital hotel has 0.12% but ABC transport has 0.31 in this case breweries will be considered more beneficial to the investors because they have 0.31 which is higher than that of capital hotel plc.

1. Total debt to shareholders fund

Non-current liabilities + current liabilities / equity

6,610,211,000 + 3,122,305,000 / 6,398,919,000

9,732,516,000 / 6,398,919,000

 =1.5%

**FINANCIALS** **GROUP 4**

**Short term solvency and liquidity ratios**

**Stanbic ibtc 2017**

1. Returns on capital employed = Profit after tax

 Equity × 100% 25,165

 92,654 × 100 = 27%

1. Net profit margin = Net profit

 Sales × 100% = 25,165

 29,922 × 100 = 84%

1. Expenses percentage = Individual expenses

 Total expenses × 100 =

 Individual expenses – staff cost = total expenses = 1,282

 = 590

 1,282 × 100% = 46%

1. Expenses to sales = Individual expenses

 Sales × 100%

 = 590

 29,922 × 100 = 2%

1. Earnings per share = 25
2. Price earnings ratio = Market price per share

 Earnings per share = 41.50

1. = 2 years
2. Earnings yield = Earnings per share =25
3. Market price per share × 100

 41.50 × 100

 = 60%

1. Dividend per share = Gross dividend

 Number of ordinary share in issue

 5,025

 10,049,465,732

 = 0.5

1. Dividend payout ratio = Dividend yield

 Earnings per share

 = 0.5

 25 × 100 = 2%

1. Dividend cover = Earnings per share

 Dividend per share

 = 25

 0.5 = 50 times

**HEALTH CARE/ SERVICES** **GROUP5**

**MAY AND BAKER NIGERIA PLC (M & B) 2018**

**Short term solvency and liquidity ratios**

1. Working capital ratio

Current ratio = current asset/current liability

3,504,068,000 / 3,149,359,000

 =1:1:1%

May and baker has 1:1:1 which means it will not be able to pay back it debt because the proper ratio is from 2:1:1

1. Quick asset/ acid test ratio

Current asset – inventory / current liability

 3,504,068,000 – 1,270,045,000 / 3,149,359,000

4,774,113,000 / 3,149,359,000

 =1.52%

May and baker has 1:5:2 that means they will be able to pay their debt off compare to and GSK has 1:3:9 is also above the required amount that means they can both pay off their debt but May and Baker is much better it has higher percentages

1. Receivable collection period

Average trade receivable/credit sales \*365days/1

1,944,549,000 / 7,081,992,000 \* 365days /1

 =101.2%

May and baker has 101days which means that they had their trade receivable to be collected for longer days compare to GSK who has 113.80days so GSK is more preferable to May and baker

1. Payable payment period

Average trade payable/credit \*365days /1

1,063,864,000 / 4,459,253,000 \* 365days /1

 =87.1%

The payable payment period has 87.1days it means it takes shorter days for them to pay their trade payable and GSK has 195.56days which means that May and baker is more preferable because in this case shorter days are required.

1. Inventory Turn-over

Average inventory/cost of sales \* 365days/1

1,270,045,000 / 4,459,253,000 \* 365days /1

 =103.95%

The May and baker has 103.95days which means that they store their goods for 103.95days which is good for the business but GSK has 123.4days.

1. Receivable Turn-over

Credit sales / average receivable

7,018,992,000 / 1,944,549,000

 =3.6%

May and baker receivable turnover take up to 3.6times before trade receivable are turnover during the reporting period and GSK takes up to 3.21times before they are turnover in this case the higher the better so May and baker will be considered more.

1. Payable Turn-over

Credit purchases / average trade payables

4,459,253,000 / 1,063,864,000

 =4.2%

Payable turnover has 4.2times which mean that takes up to 4.2times before trade payable are turned over during the reporting period and GSK has 1.87times that simply means that GSK is more preferable to May and baker because in this case shorter days are required.

1. Inventory turn-over / activity ratio

Cost of sales / average inventory

4,459,253,000 / 1,270,045,000

 =3.5%

 Inventory turnover takes 3.5times from the date in which they are purchase and produce and GSK have 2.95times the May and baker company has the highest so is more preferable because the higher the inventory turn the higher the benefit that will be derived same goes for GSK who has low percentage the benefit will also be low

**Efficiency / profitability ratio**

1. Roce = profit before interest and tax / capital present long term loan

=101,174,000 / 1,562,905,000

 =0.06%

May and baker has 0.06% which means that they use their resources effectively and GSK has 10.8% it simply means that they were able to use the resources that was placed at their disposal efficiently.

B) Gross profit / sales \* 100 / 1

 2,559,740,000 / 4,459,253,000 \* 100 / 1

 =57.4%

The average percentage that was sold of (M&B) is 57.4%

C) Net profit margin

 Net profit / sales \* 100 / 1

 63,341,000 / 4,459,253,000 \* 100 / 1

 =1.42%

D) Return on capital employed

 Profit after tax / equity \* 100 / 1

 63,341,000 / 3,092,548,000 \* 100 / 1

 =2.04%

**Investors / shareholders ratios**

A) Basic earnings per share =14%

**Long-term solvency and Stability Ratios**

1. Gearing ratio

Debt / equity

=1,853,800,000 / 3,092,548,000

 =0.60%

May and baker has 0.60% it means it is geared because for it to gear it most have up to 0.5% but GSK has 0.01% which means that it is not geared at all.

 OR

 Debt/debt + equity

 =1,853,800,000 / 1,853,800,000 + 3,092,548,000

 =1,853,800,000 / 4,946,348,000

 =0.37%

May and baker has 0.37% it is not geared because it has to have up to 0.5 but it is much better compare to GSK who has 0.12.

1. Total debt to shareholders fund

Non-current liabilities + current liabilities / equity

1,853,800,000 + 3,149,359,000 / 3,092,548,000

5,003,159,000 / 3,092,548,000

 =1.6%

**GLAXOSMITHKLINE CONSUMER NIGERIA PLC (GSK REPORT) 2018**

**Short term solvency and liquidity ratios**

1. Working capital ratio

Current ratio = current asset/current liability

13,338,313,000 / 6,760,189,000

 =1:9:7%

GSK report has 1:9:7% which means it will not be able to pay back it debt because the proper ratio is from 2:1:1 and that of May and baker who has 1:1:1% that means GSK is more preferable to that of May and baker

1. Quick asset/ acid test ratio

Current asset – inventory / current liability

 13,338,313,000 – 3,938,707,000 / 6,760,189,000

9,399,606,000 / 6,760,189,000

 =1:3:9%

GSK has 1:3:9 that means they will be able to pay their debt off and May and baker has 1:5:2 is also above the required amount that means they can both pay off their debt but may and baker is much better it has higher percentages

1. Receivable collection period

Average trade receivable/credit sales \*365days/1

5,740,325,000 / 18,411,475,000 \* 365days /1

 =113.8%

GSK has 113.8days which means that they had their trade receivable to be collected for longer days compare to May and baker who has 101.2days so May and baker is more preferable to GSK

1. Payable payment period

Average trade payable/credit \*365days /1

6,244,359,000 / 11,654,697,000 \* 365days /1

 =195.6%

The payable payment period has 195.6days it means it takes shorter days for them to pay their trade payable and May and baker has 87.1days which means that May and baker is more preferable because in this case shorter days are required.

1. Inventory Turn-over

Average inventory/cost of sales \* 365days/1

3,938,707,000 / 11,654,697,000 \* 365days /1

 =123.4%

The GSK has 123.4days which means that they store their goods for 123.4days which is good for the business but May and baker has 103.95days.

1. Receivable Turn-over

Credit sales / average receivable

18,411,475,000 / 5,740,325,000

 =3.2%

GSK receivable turnover take up to 3.2times before trade receivable are turnover during the reporting period and May and baker takes up to 3.6times before they are turnover in this case the higher the better so May and baker will be considered more.

1. Payable Turn-over

Credit purchases / average trade payables

11,654,697,000 / 6,244,359,000

 =1.9%

Payable turnover has 1.9times which mean that takes up to 1.9times before trade payable are turned over during the reporting period and May and baker has 4.2times that simply means that GSK report is more preferable to May and baker because in this case shorter days are required.

1. Inventory turn-over / activity ratio

Cost of sales / average inventory

11,654,697,000 / 3,938,707,000

 =2.95%

 Inventory turnover takes 2.95times from the date in which they are purchase and produce and May and baker have 3.5times the May and baker company has the highest so is more preferable because the higher the inventory turn the higher the benefit that will be derived same goes for GSK report who has low percentage the benefit will also be low

**Efficiency / profitability ratio**

1. Roce = profit before interest and tax / capital present long term loan

=1,160,154,000 / 107,085,000

 =10.8%

GSK report has 10.8% which means that they use their resources efficiently and May and baker has 0.06% it simply means that they were able to use the resources that was placed at their disposal effectively.

B) Gross profit / sales \* 100 / 1

 6,756,778,000 / 11,654,697,000 \* 100 / 1

 =57.97%

The average percentage that was sold of GSK is =57.97%

C) Net profit margin

 Net profit / sales \* 100 / 1

 617,624,000 / 11,654,697,000 \* 100 / 1

 =5.3%

D) Return on capital employed

 Profit after tax / equity \* 100 / 1

 617,624,000 / 8,832,782,000 / 100 / 1

 =6.99%

**Investors / shareholders ratios**

A) Basic earnings per share =12%

**Long-term solvency and Stability Ratios**

1. Gearing ratio

Debt / equity

=107,085,000 / 8,832,782,000

 =0.01%

GSK report has 0.01% it means it is geared because for it to gear it most have up to 0.5% but May and baker has 0.60% which means that it is not geared at all.

 OR

 Debt/debt + equity

 =107,085,000 / 107,085,000 + 8,832,782,000

 =107,085,000 / 8,939,867,000

 =0.12%

GSK report has 0.12% it is not geared because it has to have up to 0.5 but that of May and baker is better off because they have 0.37%.

1. Total debt to shareholders fund

 Non-current liabilities + current liabilities / equity

107,085,000 + 6,760,189,000 / 8,832,782,000

6,867,274,000 / 8,832,782,000

 =0.78%

**INDUSTRIAL COMPANY** **GROUP 6**

**JULIUS BERGER 2018**

**Short term solvency and liquidity ratios**

1. Working capital ratio

Current ratio = current asset/current liability

152,210,936,000 / 76,158,536,000

 =1:1:0%

Julius Berger has 1:1:0 that means that they are not able to pay their debt and Beta Glass has 2:1:0 in this case Beta Glass is better off because the required ratio start from 2:1:1

1. Quick asset/ acid test ratio

Current asset – inventory / current liability

 152,210,936,000 – 13,465,981,000 / 76,158,536,000

138,744,955,000 / 76,158,536,000

 =1:8:2%

Quick asset has 1:8:2 that means they will be able to pay their debt off compare to and Beta Glass has 1:6:3 is also above the required amount that means they can both pay off their debt but Julius Berger is much better it has higher percentages

1. Receivable collection period

Average trade receivable/credit sales \*365days/1

101,484,353,000 / 194,617,712,000 \* 365days /1

 =190days

Julius Berger has 190days which means that they had their trade receivable to be collected for longer days compare to Beta Glass who has 186days so Beta Glass is more preferable to Julius Berger

1. Payable payment period

Average trade payable/credit \*365days /1

47,921,155,000 / 142,609,198,000 \* 365days /1

 =122.7days =123days

The payable payment period has 123days it means it takes shorter days for them to pay their trade payable and Beta Glass has 212days which means that Julius Berger is more preferable because in this case shorter days are required.

1. Inventory Turn-over

Average inventory/cost of sales \* 365days/1

13,465,981,000 / 142,609,198,000 \* 365days /1

 =34.5days =35days

Julius Beta take 35days to store goods before taking out of the store and Beta Glass has 114days in this case Julius Berger is more preferable for the investors because the goods are store for shorter days before going out of the warehouse.

1. Receivable Turn-over

Credit sales / average receivable

194,617,712,000 / 101,484,353,000

 =1.9times

Julius Berger receivable turnover take up to 1.9times before trade receivable are turnover during the reporting period and Beta Glass takes up to 1.10times before they are turnover in this case the higher the better so Beta Glass will be considered more.

1. Payable Turn-over

Credit purchases / average trade payables

142,609,198,000 / 47,921,155,000

 =2.10times

Payable turnover has 2.10times which mean that takes up to 2.10times before trade payable are turned over during the reporting period and Beta Glass has 1.7times that simply means that Beta Glass is more preferable to Julius Berger because in this case shorter days are required.

1. Inventory turn-over / activity ratio

Cost of sales / average inventory

142,609,198,000 / 13,465,981,000

 =10.6times =11times

Inventory turnover takes 11times from the date in which they are purchase and produce and Beta Glass have 3.2times the Julius Berger company has the highest so is more preferable because the higher the inventory turn the higher the benefit that will be derived same goes for Beta Glass who has low percentage the benefit will also be low

 **Efficiency / profitability ratio**

1. Roce = profit before interest and tax / capital present long term loan

=10,197,666,000 / 176,853,574,000

 =0.06%

Julius Berger has 0.06% which means that they use their resources effectively and Beta Glass has 2.6% it simply means that they were able to use the resources that was placed at their disposal efficiently.

1. Gross profit / sales \* 100 / 1

 52,008,514,000 / 142,609,198,000 \* 100 / 1

 =36.47%

The average percentage that was sold of Julius Berger is =36.47%

1. Net profit margin

 Net profit / sales \* 100 / 1

 6,101,814, 000 /142,609,198,000 \* 100 / 1

 =4.28%

1. Return on capital employed

 Profit after tax / equity \* 100 / 1

 6,101,814,000 / 35,417890,000 / 100 / 1

 =17.23%

**Investors / shareholders ratios**

A) Basic earnings per share =15%

**Long-term solvency and Stability Ratios**

1. Gearing ratio

Debt / equity

=176,853,574,000 / 35,417,890,000

 =4.99% =0.5%

Julius Berger has 0.5 it means it is geared because for it to gear it most have up to 0.5% but Beta Glass has 0.09% which means that it is not geared at all.

 OR

 Debt/debt + equity

 =176,853,574,000 / 176,853,574,000 + 35,417,890,000

 =176,853,574,000 / 212,271,464,000

 =0.83%

Julius Berger has 0.83% it is not geared because it has to have up to 0.5 but it is much better compare to Beta Glass who has 0.08.

1. Total debt to shareholders fund

Non-current liabilities + current liabilities / equity

176,853,574,000 + 76,158,536,000 / 35,417,890,000

253,012,110,000 / 35,417,890,000

 =7.14%

**JULIUS BERGER 2017**

**Short term solvency and liquidity ratios**

1. Working capital ratio

Current ratio = current asset/current liability

131,087,478,000 /103,856,045,000

 =1.2:6%

Julius Berger has 1:2:6 that means they will be able to pay back their debt because the proper ratio start from 2:1:1 and beta glass has 2:9:1%

1. Quick asset/ acid test ratio

Current asset – inventory / current liability

 131,087,478,000 –10,649,880,000 / 103,856,045,000

141,737,358,000 /103,856,045,000

 =1:3:6%

Quick asset has 1:3:6 that is it will be able to pay its debt because quick asset start from 1:1:1 but if they have up to 1:0:0 they can also pay their debt off.

1. Receivable collection period

Average trade receivable/credit sales \*365days/1

49,837,624,000 / 141,890,498,000 \* 365days /1

 =128days

Julius Berger has 128days which means that they had their trade receivable to be collected for 128days compare to beta glass who has 237days in this case the investors will benefit more from Julius Berger because they have lesser days

1. Payable payment period

Average trade payable/credit purchases \*365days /1

42,914,438,000 / 97,591,978,000 \* 365days /1

 =160.5days =161days

The payable period has 161days it means it takes shorter days for them to pay their trade payable and beta glass has 114days which means they take longer period to pay their debt but in this case beta glass is more beneficial to the investors because they have shorter days compare to Julius Berger that have longer days.

1. Inventory Turn-over

Average inventory/cost of sales \* 365days/1

10,649,880,000 / 97,591,978,000 \* 365days /1

 =0.11days

Julius Berger takes 0.11days to store their goods before taking out of the warehouse on like beta glass who have 108.3days to compare both companies Julius Berger will benefit more because its goods are stores for shorter period.

1. Receivable Turn-over

Credit sales / average receivable

141,890,498,000 / 49,837,624,000

 =2.85times

Julius Berger take up to 2.85times before trade receivable are turnover during the reporting period and beta glass takes 1.5times in this case the higher the better so Julius Berger will be more considered compare to that of Beta glass.

1. Payable Turn-over

Credit purchases / average trade payables

97, 591,978,000 / 42,914,438,000

 =2.3%

Payable turnover takes 2.3times which means that before trade payable can turnover during the period it most have up to 2.3times and beta glass has 3.2times that means that Julius Berger is more preferable to beta glass because shorter times are better off for the investors

1. Inventory turn-over / activity ratio

Cost of sales / average inventory

97,591,978,000 / 10,649,880,000

 =9.2%

Inventory turnover takes 9.2times from the date in which they are purchase and produce compare to beta glass who has 3.4times that is, Julius Berger is more preferable because the higher the inventory turn the profit that will be derived and for that of beta glass who has 3.4times is going to be having lower inventory turn which will result at lower profit.

 **Efficiency / profitability ratio**

1. Roce = profit before interest and tax / capital present long term loan

=3,739,140,000 / 141,441,817,000

 =0.03%

Julius Berger has 0.03% which means that they were not able to utilize their resources and they were not also efficiency in using the resources at their disposal but as for that of beta glass who has 1.5% it means that they were able to use their resources efficiently

B) Gross profit / sales \* 100 / 1

 44,298,520,000 / 97,591,978,000 \* 100 / 1

 =45.39%

The average percentage that was sold of Julius Berger is =45.39%

C) Net profit margin

 Net profit / sales \* 100 / 1

 2,572,040,000 / 97,591,978,000 \* 100 / 1

 =2.64%

D) Return on capital employed

 Profit after tax / equity \* 100 / 1

 2,572,040,000 / 30,095,931,000 \* 100 / 1

 =8.55%

**Investors / shareholders ratios**

A) Basic earnings per share =13%

**Long-term solvency and Stability Ratios**

1. Gearing ratio

Debt / equity

=141,441,817,000 / 30,095,931,000

 =4.7% =5%

It has to have up to 0.5 for it be geared but when it is above 0.5 it is over geared Julius and Berger has 0.5 which means it is geared in the case were by it is 0.2 it simply means that it is not geared at all.

 OR

 Debt/debt + equity

 =141,441,817,000 / 141,441,817,000 + 30,095,931,000

 =141,441,817,000 / 171,537,748,000

 =0.8%

 It is not geared because it has 0.8% and beta glass has 0.14%. In this case Julius Berger is more preferable to beta glass.

1. Total debt to shareholders fund

Non-current liabilities + current liabilities / equity

141,441,817,000 + 103,856,045,000 / 30,095,931,000

245,297,862,000 / 30,095,931,000

 =8.2%

**BETA GLASS PLC 2018**

**Short term solvency and liquidity ratios**

1. Working capital ratio

Current ratio = current asset/current liability

28,550,830,000 / 13,723,312,000

 =2:1:0%

Beta Glass has 2:1:0% that is not able to pay back it debt because the proper ratio start from 2:1:1% and Julius Berger has 1:1:0% which makes Julius Berger better off because it is closer to the normal ratio.

1. Quick asset/ acid test ratio

Current asset – inventory / current liability

 28,550,830,000 – 6,239,740,000 / 13,723,312,000

22,311,090,000 / 13,723,312,000

 =1.63%

Quick asset has 1:6:3% that is it will be able to pay its debt because quick asset ratio start from 1:1:1% but if they have up to 1:0:0 than they can pay off the debt. Julius Berger also has 1:8:2% which means that they can also pay off their debt too.

1. Receivable collection period

Average trade receivable/credit sales \*365days/1

13,438,292,000 / 26,321,014,000 \* 365days /1

 =186.42days =186days

Beta glass has 186days which means that they had their trade receivable to be collected for lesser days compare to that of Julius Berger that has 190days so Beta glass is more preferable to Julius Berger.

1. Payable payment period

Average trade payable/credit \*365days /1

11,598,037,000 / 19,940,375,000 \* 365days /1

 =212.3%

The payable payment period has 212days it means it takes them longer days before they are able to pay their trade payable and Julius Berger has 123days which makes it perfect because in this case shorter days are required.

1. Inventory Turn-over

Average inventory/cost of sales \* 365days/1

6,239,740,000 / 19,940,375,000 \* 365days /1

 =114%

Beta glass takes 114days to store goods before being taking out of the store on like Julius Berger who takes 35days to store goods before taking out of the store which means that Julius Berger method will be suitable for the business.

1. Receivable Turn-over

Credit sales / average receivable

26,321,014,000 / 13,438,292,000

 =1.96times =1.10times

Beta glass receivable turnover take up to 1.10times before trade received are turnover during the reporting period and Julius Berger takes 1.9times in this case the higher the better so Beta glass will be more preferable to Julius Berger.

1. Payable Turn-over

Credit purchases / average trade payables

19,940,375,000 / 11,598,037,000

 =1.7times =2times

Payable turnover has 2times which means that it takes up to 2times before trade payable are turned over during the period and Julius Berger has 2.10times that means that Beta glass is more preferable to Julius Berger because shorter times are better off.

1. Inventory turn-over / activity ratio

Cost of sales / average inventory

19,940,375,000 / 6,239,740,000

 =3.2%

Inventory turnover takes 3.2times from the date in which they are purchase and produce and Julius Berger have 10.6times Julius Berger Company is more preferred because the higher the inventory turn the higher the profit will and for that of Beta glass who has 3.2 is going to be the lower the inventory turn the lower the profit will also be.

 **Efficiency / profitability ratio**

1. Roce = profit before interest and tax / capital present long term loan

=7,188,181,000 / 2,728,744,000

 =2.6%

Beta glass has 2.6% which means that they were able to utilize their resources placed at their disposal and they were efficiency in using their resources but Julius Berger has 0.06% which means that they use their resources effectively.

B) Gross profit / sales \* 100 / 1

 6,380,639,000 / 19,940,375,000 \* 100 / 1

 =31.99%

The average percentage that was sold of Beta glass is =31.99%

C) Net profit margin

 Net profit / sales \* 100 / 1

 5,052,805,000 / 19,940,375,000 \* 100 / 1

 =25.34%

D) Return on capital employed

 Profit after tax / equity \* 100 / 1

 5,052,805,000 / 29,627,573,000 \* 100 / 1

 =17.05%

Investors / shareholders ratios

A) Basic earnings per share =12%

 **Long-term solvency and Stability Ratios**

1. Gearing ratio

Debt / equity

=2,728,744,000 / 29,627,573,000

 0.09=%

Beta glass has 0.09% gearing ratio which is not geared at all because for it to be geared it most have up to 0.5% compare to that of Julius Berger that has 0.5 which is fully geared.

 OR

 Debt/debt + equity

 =2,728,744,000 / 2,728,744,000 + 29,627,573,000

 =2,728,744,000 / 32,356,317,000

 =0.08%

It is not well geared because it have 0.08% and Julius Berger who has 0.8% but Julius Berger is more preferable compare to that of Beta glass which is 0.08%.

1. Total debt to shareholders fund

Non-current liabilities + current liabilities / equity

2,728,744,000 + 13,723,312,000 / 29,627,573,000

16,452,056,000 / 29,627,573,000

 =0.56%

**BETA GLASS 2017**

**Short term solvency and liquidity ratios**

1. Working capital ratio

Current ratio = current asset/current liability

26,334,166,000 / 9,042,950,000

 =2.9%

Beta glass has 2:9:1 that means they will be able to pay back their debt because the proper ratio start from 2:1:1

1. Quick asset/ acid test ratio

Current asset – inventory / current liability

 26,334,166,000 – 5,025,216,000 / 9,042,950,000

21,308,950,000 / 9,042,950,000

 =2.4%

Quick asset has 2:3:6 that is it will be able to pay its debt because quick asset start from 1:1:1 but if they have up to 1:0:0 they can also pay their debt off.

1. Receivable collection period

Average trade receivable/credit sales \*365days/1

14,377,983,000 / 22,186,258,000 \* 365days /1

 =236.5days =237days

Beta glass has 237days which means that they had their trade receivable to be collected for 237days compare to Julius Berger who has 128days in this case the investors will benefit more from Julius Berger because they have lesser days

1. Payable payment period

Average trade payable/credit \*365days /1

5,282,427,000 / 16,938,395,000 \* 365days /1

 =113.8days =114days

The payable period has 114days it means it takes shorter days for them to pay their trade payable and Julius Berger has 160.5days which means they take longer period to pay their debt but in this case beta glass is more beneficial to the investors because they have shorter days compare to Julius Berger that have longer days.

1. Inventory Turn-over

Average inventory/cost of sales \* 365days/1

5,025,216,000 / 16,938,395,000 \* 365days /1

 =108.3days =108days

Beta glass takes 108days to store their goods before taking out of the warehouse on like Julius Berger who have 0.11days to compare both companies Julius Berger will benefit more because its goods are stores for shorter period.

1. Receivable Turn-over

Credit sales / average receivable

22,186,258,000 / 14,377,983,000

 =1.5times

Beta glass take up to 1.5times before trade receivable are turnover during the reporting period and Julius Berger takes 2.9times in this case the higher the better so Julius Berger will be more considered compare to that of Beta glass.

1. Payable Turn-over

Credit purchases / average trade payables

16,938,395,000 / 5,282,427,000

 =3.2times =3times

Payable turnover takes 3.2times which means that before trade payable can turnover during the period it most have up to 3.2times and Julius Berger has 2.3times that means that Julius Berger is more preferable to beta glass because shorter times are better off for the investors

1. Inventory turn-over / activity ratio

Cost of sales / average inventory

16,938,395,000 / 5,025,216,000

 =3.4times

Inventory turnover takes 3.4times from the date in which they are purchase and produce compare to Julius Berger who has 9.2times that is, is more preferable because the higher the inventory turn the profit that will be derived and for that of beta glass who has 3.4times is going to be having lower inventory turn which will result at lower profit.

 **Efficiency / profitability ratio**

1. Roce = profit before interest and tax / capital present long term loan

=5,854,740,000 / 4,023,546,000

 =1.5%

Beta glass has 1.5% which means that they were able to utilize their resources and they were efficiency in using the their resources at their disposal but as for that of Julius Berger who has 0.03% it means that they were able to use their resources effectively

B) Gross profit / sales \* 100 / 1

 5,247,863,000 / 16,938,395,000 \* 100 / 1

 =30.98%

The average percentage that was sold of Beta glass is =30.98%

C) Net profit margin

 Net profit / sales \* 100 / 1

 4,115,142,000 / 16,938,395,000 \* 100 / 1

 =24.29%

D) Return on capital employed

 Profit after tax / equity \* 100 / 1

 4,115,142,000 / 25,145,114,000 \* 100 / 1

 =16.37%

**Investors / shareholders ratios**

A) Basic earnings per share =12%

**Long-term solvency and Stability Ratios**

1. Gearing ratio

Debt / equity

=4,023,546,000 / 25,145,114,000

 =0.2%

It has to have up to 0.5 for it be geared but when it is above 0.5 it is over geared in the case were by it is 0.2 it simply means that it is not geared at all compare to Julius Berger who has 0.5 it means it is geared.

 OR

 Debt/debt + equity

 =4,023,546,000 / 4,023,546,000 + 25,145,114,000

 =4,023,546,000 / 29,168,660,000

 =0.14%

It is not geared because it has 0.14% and Julius Berger has 0.8%. In this case Julius Berger is more preferable to beta glass.

1. Total debt to shareholders fund

Non-current liabilities + current liabilities / equity

4,023,546,000 + 9,042,950,000 / 25,145,114,000

13,066,496,000 / 25,145,114,000

 =0.52%

**OIL AND GAS ANNUAL REPORT**

**OANDO OIL COMPANY 2018** **GROUP 7**

**Short term solvency and liquidity ratios**

1. Working capital ratio

Current ratio = current asset/current liability

130,118,542,000 / 797,993,724,000

 =0:1:6%

Oando has 0:1:6 that means they will be able to pay back their debt because the proper ratio start from 2:1:1

1. Quick asset/ acid test ratio

Current asset – inventory / current liability

 130,118,542,000 – 28,392,500,000 / 797,993,724,000

101,726,042,000 / 797,993,724,000

 =0:1:3%

Quick asset has 0:1:3 that is it will be able to pay its debt because quick asset start from 1:1:1 but if they have up to 1:0:0 they can also pay their debt off.

1. Receivable collection period

Average trade receivable/credit sales \*365days/1

84,791,743,000 / 28,797,743,000 \* 365days /1

 =1074.7days

Oando has 1074.7days which means that they had their trade receivable to be collected for 237days compare to mobile who has 25.53days in this case the investors will benefit more from mobile because they have lesser days

1. Payable payment period

Average trade payable/credit \*365days /1

265,417,181,000 / 28,797,743,000 \* 365days /1

 =3364.1days

The payable period has 3364.1days it means it takes longer days for them to pay their trade payable and mobile has 20.3days which means they take shorter period to pay their debt but in this case mobile is more beneficial to the investors because they have shorter days compare to Oando that have longer days.

1. Inventory Turn-over

Average inventory/cost of sales \* 365days/1

28,392,500,000 / 28,797,743,000 \* 365days /1

 =359.9days

Oando takes 359.9days to store their goods before taking out of the warehouse on like mobile who have 44.2days to compare both companies mobile will benefit more because its goods are stores for shorter period.

1. Receivable Turn-over

Credit sales / average receivable

28,797,743,000 / 84,791,443,000

 =0.339times

Oando take up to 0.339times before trade receivable are turnover during the reporting period and mobile takes 14.3times in this case the higher the better so mobile will be more considered compare to that of Oando.

1. Payable Turn-over

Credit purchases / average trade payables

28,797,743,000 / 265,417,181,000

 0.108times =0.12times

 Payable turnover takes 0.12times which means that before trade payable can turnover during the period it most have up to 0.12times and mobile has 18.0times that means that mobile is more preferable to Oando because shorter times are better off for the investors

1. Inventory turn-over / activity ratio

Cost of sales / average inventory

28,797,743,000 / 28,392,500,000

 =1.0%

Inventory turnover takes 1.0times from the date in which they are purchase and produce compare to mobile who has 8.3times that is, is more preferable because the higher the inventory turn the profit that will be derived and for that of Oando who has 1.0times is going to be having lower inventory turn which will result at lower profit.

**Efficiency / profitability ratio**

1. Roce = profit before interest and tax / capital present long term loan

9,286,342,000 / 76,848,651,000

 =0.12%

Oando has 0.12% which means that they were not able to utilize their resources and they were also not efficiency in using the their resources at their disposal but as for that of mobile who has 0.78% it means that they were able to use their resources efficiently

1. Return on capital employed

 Profit after tax / equity \* 100 / 1

 28,797,743,000 / 60,899,568,000 \* 100 / 1

 =%

**Long-term solvency and Stability Ratios**

1. Gearing ratio

Debt / equity

348,228,307,000 / 277,116,711,000

 =1.3%

It has to have up to 0.5 for it be geared but when it is above 0.5 it is over geared in the case were by it is 1.3% it simply means that it is not geared at all compare to mobile who has 0.5 it means it is geared.

 OR

 Debt/debt + equity

 348,228,307,000 / 348,228,307,000 + 277,116,711,000

 348,228,307,000 / 725,345,018,000

 =0.48%

 It is not geared because it has 0.48% and mobile has 0.34%. In this case Oando is more preferable to mobile.

1. Total debt to shareholders fund

Non-current liabilities + current liabilities / equity

348,228,307,000 + 797,993,724,000 / 277,116,711,000

1,146,222,031,000 / 277,116,711,000

 =4.14%

**MOBILE OIL COMPANY 2018:**

1. Working capital ratio

Current ratio = current asset/current liability

34,183,632,000 / 19,327,761,000

 =1.77%

Mobile has 1:7:7 that means they will be able to pay back their debt because the proper ratio start from 2:1:1 and oando has 0:1:6%

1. Quick asset/ acid test ratio

Current asset – inventory / current liability

 34,183,632,000 – 17,918,599,000 / 19,327,761,000

16,265,033,000 / 19,327,761,000

 =0:8:4%

Quick asset has 0:8:4 that is it will be able to pay its debt because quick asset start from 1:1:1 but if they have up to 1:0:0 they can also pay their debt off.

1. Receivable collection period

Average trade receivable/credit sales \*365days/1

11,513,890,000 / 164,609,535,000 \* 365days /1

 =25.53%

mobile has 25.53days which means that they had their trade receivable to be collected for 237days compare to oando who has 1074.7days in this case the investors will benefit more from mobile because they have lesser days

1. Payable payment period

Average trade payable/credit \*365days /1

8,212,101,000 / 148,015,916,000 \* 365days /1

 =20.3%

The payable period has 20.3days it means it takes shorter days for them to pay their trade payable and oando has 3364.1days which means they take longer period to pay their debt but in this case mobile is more beneficial to the investors because they have shorter days compare to Oando that have longer days.

1. Inventory Turn-over

Average inventory/cost of sales \* 365days/1

17,918,599,000 / 148,015,916,000 \* 365days /1

 =44.2days

Mobile takes 44.2days to store their goods before taking out of the warehouse on like oando who have 359.9days to compare both companies mobile will benefit more because its goods are stores for shorter period.

1. Receivable Turn-over

Credit sales / average receivable

164,609,535,000 / 11,513,890,000

 =14.3%

Mobile take up to 14.3times before trade receivable are turnover during the reporting period and oando takes 0.339times in this case the higher the better so mobile will be more considered compare to that of Oando.

1. Payable Turn-over

Credit purchases / average trade payables

148,015,916,000 / 8,212,101,000

 =18.0%

Payable turnover takes 18.0times which means that before trade payable can turnover during the period it had up to 18.0times and oando has 0.12times that means that oando is more preferable to mobile because shorter times are better off for the investors

1. Inventory turn-over / activity ratio

Cost of sales / average inventory

148,015,916,000 / 17,918,599,000

 =8.3%

Mobile inventory turnover takes 8.3times from the date in which they are purchase and produce compare to oando who has 1.0times. that is, mobile is more preferable because the higher the inventory turn the profit that will be derived and for that of Oando who has 1.0times is going to be having lower inventory turn which will result at lower profit.

 **Efficiency / profitability ratio**

1. Roce = profit before interest and tax / capital present long term loan

13,695,459,000 / 17,560,262,000

 =0.78%

Mobile has 0.78% which means that they were able to utilize their resources and they were also efficiency in using the resources at their disposal but as for that of oando who has 0.12% it means that they were able to use their resources effectively

A) Gross profit / sales \* 100 / 1

 16,593,619,000 / 148,015,916,000 \* 100 / 1

 =11.21%

The average percentage that was sold of Mobile is =11.21%

B) Net profit margin

 Net profit / sales \* 100 / 1

 9,328,935,000 / 148,015,916,000 \* 100 / 1

 =6.3%

C) Return on capital employed

 Profit after tax / equity \* 100 / 1

 9,328,935,000 / 33,772,775,000 \* 100 / 1

 =27.6%

Investors / shareholders ratios

A) Basic earnings per share =31%

**Long-term solvency and Stability Ratios**

1. Gearing ratio

Debt / equity

17,560,262,000 / 33,772,775,000

 =0.52% =0.5%

It has to have up to 0.5 for it be geared but when it is above 0.5 it is over geared and mobile who has 0.5 it means it is geared. In the case were by it is 1.3% it simply means that it is not geared at all.

 OR

 Debt/debt + equity

 17,560,262,000 / 17,560,262,000 + 33,772,775,000

 =17,560,262,000 / 51,333,037,000

 =0.34%

 It is not geared because it has 0.34% and oando has 0.48%. In this case Oando is more preferable to mobile.

1. Total debt to shareholders fund

Non-current liabilities + current liabilities / equity

17,560,262,000 + 19,327,761,000 / 33,772,775,000

36,888,023,000 / 33,772,775,000

 =1.09%

**TECHNOLOGY AND TELECOMMUNICATION ANNUAL REPORT** **GROUP 8**

**OMATEK VENTURES PLC 2018**

**Short term solvency and liquidity ratios**

1. Working capital ratio

Current ratio = current asset/current liability

766,000,000 / 6,903,000,000

 =0:1:1%

They have 0:1:1% it means that they will be able to pay their debt compare to cwg who has 0:9:5%

1. Quick asset/ acid test ratio

Current asset – inventory / current liability

 766,000,000 – 620,000,000 / 6,903,000,000

146,000,000 / 6,903,000,000

 =0:0:2%

Quick asset has 0:0:2% they cannot pay their debt because they have lesser ratio and the expected required ratio which is 1:1:1% but if one has up to 1:0% they can also be able to pay their debt compare to cwg who has 0:7:8%

1. Receivable collection period

Average trade receivable/credit sales \*365days/1

108,000,000 / 18,000,000 \* 365days /1

 =2190%

Receivable collection has 2190days they used longer days before trade receivable was collected compare to cwg who has 339.5days they use shorter days before their trade receivable was collected so they should invest in cwg.

1. Payable payment period

Average trade payable/credit \*365days /1

5,918,000,000 / 5,000,000 \* 365days /1

 =432014%

The payable period has 432014days they have longer days before they pay their trade payables but cwg toke 517.5days which is shorter than that of omatek plc. And the investors will be able to benefit from them.

1. Inventory Turn-over

Average inventory/cost of sales \* 365days/1

620,000,000 / 5,000,000 \* 365days /1

 =45260%

Omatek takes 45260days to store their goods before taking out of the store on like cwg who only store for 104.8days before taking out of the store that is they store for shorter period.

1. Receivable Turn-over

Credit sales / average receivable

18,000,000 / 108,000,000

 =0.17%

Omatek takes 0.17times before trade receivable are turnover during the reporting period but cwg takes 1.075times in this case the higher the better so the investors will benefit more if he invest on Cwg

1. Payable Turn-over

Credit purchases / average trade payables

5,000,000 / 5,918,000,000

 =8.45% =8%

Payable turnover takes 8time which means that it take up to 8time before trade payable are turned over during the period and cwg 0.71time that means cwg is more preferable to omatek because shorter times are better off for the investors

1. Inventory turn-over / activity ratio

Cost of sales / average inventory

5,000,000 / 620,000,000

 =8.1%

Inventory turnover take 8.1times from the date in which they are purchase and produce compare to that of cwg who has 3.48times. omatek will pay off better to the investors because the higher the inventory turn the higher the benefit that will be derived but as for cwg who has 3.48times it will derive lesser benefit.

**Efficiency / profitability ratio**

1. Roce = profit before interest and tax / capital present long term loan

=1,154,000,000 / 3,909,000,000

 =0.295%

OMATEK was able to use their resources effectively because they had 0.295% left but cwg has 2.32% it simply means that they use their resources efficiently.

1. Gross profit / sales \* 100 / 1

 13,000,000 / 5,000,000 \* 100 / 1

 =260%

The average percentage that was sold of Omatek is =260%

B) Net profit margin

 Net profit / sales \* 100 / 1

 1,161,000,000 / 5,000,000 \* 100 / 1

 =23220%

C) Return on capital employed

 Profit after tax / equity \* 100 / 1

 1,161,000,000 / 5,964,000,000 / 100 / 1

 =19.47%

Investors / shareholders ratios

A) Basic earnings per share =25%

**Long-term solvency and Stability Ratios**

1. Gearing ratio

Debt / equity

=3,940,000,000 / 5,964,000,000

 =0.66%

Omatek has 0.66% which means that is it not geared compare to that of cwg who has 0.0597% and omatek is preferable to that of Cwg.

 OR

 Debt/debt + equity

 =3,940,000,000 / 3,940,000,000 + 5,964,000,000

 =3,940,000,000 / 9,904,000,000

 =0.3978%

Omatek has 0.3978% but cwg has 0.056% in this case omatek will be considered more beneficial to the investors because they have 0.3978 which is higher than that of cwg plc.

1. Total debt to shareholders fund

Non-current liabilities + current liabilities / equity

3,940,000,000 + 6,903,000,000 / 5,964,000,000

10,843,000,000 / 5,964,000,000

 =1.82%

**OMATEK VENTURE 2019**

**Short term solvency and liquidity ratios**

1. Working capital ratio

Current ratio = current asset/current liability

750,000,000 / 7,769,000,000

 =0:1:0%

They have 0:1:0% it means that they will be able to pay their debt compare to cwg who has 4:2:1%

1. Quick asset/ acid test ratio

Current asset – inventory / current liability

 750,000,000 – 620,000,000 / 7,769,000,000

130,000,000 / 7,769,000,000

 =0:0:2%

Quick asset has 0:0:2% they cannot pay their debt because they have lesser ratio and the expected required ratio which is 1:1:1% but if one has up to 1:0% they can also be able to pay their debt compare to cwg who has 7:2:6%

1. Receivable collection period

Average trade receivable/credit sales \*365days/1

120,000,000 / 18,000,000 \* 365days /1

 =2433.33%

Receivable collection has 2433.33days they used longer days before trade receivable was collected compare to cwg who has 38.65days they use shorter days before their trade receivable was collected so they should invest in cwg.

1. Payable payment period

Average trade payable/credit purchase \*365days /1

6,674,000,000 / 5,000,000 \* 365days /1

 =487202%

 The payable period has 487202days they have longer days before they pay their trade payables but cwg toke 45.58days which is shorter than that of cwg plc. And the investors will be able to benefit from them.

1. Inventory Turn-over

Average inventory/cost of sales \* 365days/1

620,000,000 / 5,000,000 \* 365days /1

 =45260%

Omatek takes 45260days to store their goods before taking out of the store on like cwg who only store for 235.88days before taking out of the store that is they store for shorter period.

1. Receivable Turn-over

Credit sales / average receivable

18,000,000 / 120,000,000

 =0.15%

Omatek takes 0.15times before trade receivable are turnover during the reporting period but cwg takes 9.4times in this case the higher the better so the investors will benefit more if he invest on Cwg

1. Payable Turn-over

Credit sales / average trade payables

5,000,000 / 6,674,000,000

 =7.5%

Payable turnover takes 7.5time which means that it take up to 8time before trade payable are turned over during the period and cwg 8time that means omatek is more preferable to cwg because shorter times are better off for the investors

1. Inventory turn-over / activity ratio

Cost of sales / average inventory

5,000,000 / 620,000,000

 =0.01%

 Inventory turnover take 0.01times from the date in which they are purchase and produce compare to that of cwg who has 1.6times cwg will pay off better to the investors because the higher the inventory turn the higher the benefit that will be derived but as for omatek who has 0.01times it will derive lesser benefit.

**Efficiency / profitability ratio**

1. Roce = profit before interest and tax / capital present long term loan

=874,000,000 / 3,909,000,000

 =0.224%

OMATEK was able to use their resources effectively because they had 0.224% left but cwg has 3.60% it simply means that they use resources effectively.

1. Gross profit margin or percentage

Gross profit / sales \* 100 / 1

13,000,000 / 5,000,000 \* 100 / 1

 =260%

The average percentage that was sold of omatek is 260%.

1. Net profit margin

Net profit / sale \* 100 / 1

 874,000,000 / 5,000,000 \* 100 / 1

 17480%

**Investors / shareholders ratios**

1. Basic earnings per share =25

**Long-term solvency and Stability Ratios**

1. Gearing ratio

Debt / equity

=3,909,000,000 / 6,837,000,000

 =0.572%

Omatek has 0.572% which means that is it not geared compare to that of cwg who has 0.078% and omatek is preferable to that of Cwg.

 OR

 Debt/debt + equity

 =3,909,000,000 / 3,909,000,000 + 6,837,000,000

 =3,909,000,000 / 10,746,000, 000

 =0.364%

Omatek has 0.364% but cwg has 0.07 in this case omatek will be considered more beneficial to the investors because they have 0.364 which is higher than that of cwg plc.

1. Total debt to shareholders fund

Non-current liabilities + current liabilities / equity

4,091,000,000 + 7,769,000,000 / 6,837,000,000

3,678,000,000 / 6,837,000,000

 =0.538%

**CWG 2018**

**Short term solvency and liquidity ratios**

1. Working capital ratio

Current ratio = current asset/current liability

9,685,043,000 / 10,194,856,000

 =0.95%

They have 0:9:5% it means that they will be able to pay their debt compare to omatek who has 0:1:1%

1. Quick asset/ acid test ratio

Current asset – inventory / current liability

 9,685,043,000 – 1,694,075,000 / 10,194,075,000

7,991,068,000 / 10,194,856,000

 =0.784%

Quick asset has 0:7:8% they cannot pay their debt because they have lesser ratio and the expected required ratio which is 1:1:1% but if one has up to 1:0% they can also be able to pay their debt compare to omatek who has 0:0:2%

1. Receivable collection period

Average trade receivable/credit sales \*365days/1

7,212,173,000 / 7,755,122,000 \* 365days /1

 =339.5days

Receivable collection has 339.5days they used shorter days before trade receivable was collected compare to omatek who has 2190days they use longer days before their trade receivable was collected so they should invest in omatek.

1. Payable payment period

Average trade payable/credit \*365days /1

8,362,952,000 / 5,898,460,000 \* 365days /1

 =517.5days

The payable period has 517.5days they have shorter days before they pay their trade payables but omatek toke 432014days which is longer than that of cwg plc. And the investors will not be able to benefit from them.

1. Inventory Turn-over

Average inventory/cost of sales \* 365days/1

1,694,075,000 / 5,898,460,000 \* 365days /1

 =104.8days

Cwg takes 104.8days to store their goods before taking out of the store on like omatek who store for 45260days before taking out of the store that is they store for shorter period.

1. Receivable Turn-over

Credit sales / average receivable

7,755,122,000 / 7,212,173,000

 =1.075times

Cwg takes 1075times before trade receivable are turnover during the reporting period but omatek takes 0.17times in this case the higher the better so the investors will benefit more if he invest on Cwg

1. Payable Turn-over

Credit purchases / average trade payables

5,898,460,000 / 8,362,952,000

 =0.705times =0.71times

Payable turnover takes 0.71time which means that it take up to 8time before trade payable are turned over during the period and omatek 8.45time that means cwg is more preferable to omatek because shorter times are better off for the investors

1. Inventory turn-over / activity ratio

Cost of sales / average inventory

5,898,460,000 / 1,694,075,000

 =3.48times

 Inventory turnover take 3.48times from the date in which they are purchase and produce compare to that of omatek who has 8.1times. omatek will pay off better to the investors because the higher the inventory turn the higher the benefit that will be derived but as for cwg who has 3.48times it will derive lesser benefit.

 **Efficiency / profitability ratio**

1. Roce = profit before interest and tax / capital present long term loan

=1,114,754,000 / 480,644,000

 =2.32%

Cwg was able to use their resources efficiently because they had 2.32% left but omatek has 0.295% it simply means that they use their resources effectively.

1. Gross profit / sales \* 100 / 1

 1,856,662,000 / 5,898,460,000 \* 100 / 1

 =31.48%

The average percentage that was sold of cwg is =31.48%

1. Net profit margin

 Net profit / sales \* 100 / 1

 1,146,238,000 / 5,898,460,000 \* 100 / 1

 =19.4%

1. Return on capital employed

 Profit after tax / equity \* 100 / 1

 1,146,238,000 / 114,643,000 / 100 / 1

 =999.8%

**Investors / shareholders ratios**

A) Basic earnings per share =15.1%

**Long-term solvency and Stability Ratios**

1. Gearing ratio

Debt / equity

=6,850,000 / 114,643,000

 =0.056%

Cwg has 0.056% which means that is it not geared compare to that of omatek who has 0.66% and omatek is preferable to that of Cwg.

 OR

 Debt/debt + equity

 =6,850,000 / 6,850,000 + 114,643,000

 =6,850,000 / 121,493,000

 =0.056%

Cwg has 0.056% but omatek has 0.3978% in this case omatek will be considered more beneficial to the investors because they have 0.3978 which is higher than that of Cwg plc.

1. Total debt to shareholders fund

Non-current liabilities + current liabilities / equity

6,850,000 + 10,194,856,000 / 114,643,000

10,201,706,000 / 114,643,000

 =0.0889%

**CWG COMPANY 2019**

**Short term solvency and liquidity ratios**

1. Working capital ratio

Current ratio = current asset/current liability

70,240,855,000,000 / 16,668,722,000,000

 =4:2:1%

They have 4:2:1% it means that they will be able to pay their debt compare to Omatek venture who has only 0:1:0%

1. Quick asset/ acid test ratio

Current asset – inventory / current liability

 70,240,855,000,000 – 50,900,347,000,000 / 16,668,722,000,000

121,141,202,000,000 / 16,668,722,000,000

 =7:2:6%

Quick asset has 7:2:6% they can pay their debt because they have beyond the expected required which is 1:1% but if one has up to 1:0% they can also be able to pay their debt compare to Omatek who has 0:0:2%

1. Receivable collection period

Average trade receivable/credit sales \*365days/1

10,754,099,000,000 / 101,554,524,000,000 \* 365days /1

 =38.65days

Receivable collection has 38.65days they used shorter days before trade receivable was collected compare to omatek who has 2433.33days they use longer days before their trade receivable is being collected so they should invest in cwg plc.

1. Payable payment period

Average trade payable/credit \*365days /1

9,835,938,000,000 / 78,766,755,000,000 \* 365days /1

 =45.58days

The payable period has 45.58days they have shorter days before they pay their trade payables but omatek toke 487202days which is higher than that of cwg plc. And the investors will be able to benefit from them.

1. Inventory Turn-over

Average inventory/cost of sales \* 365days/1

50,900,347,000,000 / 78,766,755,000,000 \* 365days /1

 =235.88%

Cwg takes 235.88days to store their goods before taking out of the store on like omatek who only store for 45260days before taking out of the store that is they store for shorter period.

1. Receivable Turn-over

Credit sales / average receivable

101,554,524,000,000 / 10,754,099,000,000

 =9.4%

Cwg takes 9.4times before trade receivable are turnover during the reporting period but omatek takes 0.15times in this case the higher the better so the investors will benefit more if he invest on Cwg.

1. Payable Turn-over

Credit purchases / average trade payables

78,766,755,000,000 / 9,835,938,000,000

 =8.0% =8%

Payable turnover takes 8time which means that it take up to 8time before trade payable are turned over during the period and omatek 7.5time that means omatek is more preferable to cwg because shorter times are better off for the investors

1. Inventory turn-over / activity ratio

Cost of sales / average inventory

78,766,755,000,000 / 50,900,347,000,000

 =1.55%

Inventory turnover take 1.55times from the date in which they are purchase and produce compare to that of omatek who has 0.01times cwg will pay off better to the investors because the higher the inventory turn the higher the benefit that will be derived but as for omatek who has 0.01times it will derive lesser benefit.

 **Efficiency / profitability ratio**

1. Roce = profit before interest and tax / capital present long term loan

=6,966,992,000,000 / 1,935,556,000,000

 =3.60%

Cwg was able to use their resources efficiently because they had 3.60% left but omatek has 0.224 it simply means that they use resources effectively.

1. Gross profit / sales \* 100 / 1

 22,787,769,000 / 78,766,755,000 \* 100 / 1

 =28.9%

The average percentage that was sold of cwg is =28.9%

1. Net profit margin

 Net profit / sales \* 100 / 1

 5,188,330,000 / 78,766,755,000 \* 100 / 1

 =6.59%

1. Return on capital employed

 Profit after tax / equity \* 100 / 1

 5,188,330,000 / 85,016,510,000 / 100 / 1

 =6.10%

**Investors / shareholders ratios**

A) Basic earnings per share =24%

**Long-term solvency and Stability Ratios**

1. Gearing ratio

Debt / equity

=6,614,027,000,000 / 85,016,510,000,000

 =0.07%

Cwg has 0.07 which means that is it not geared compare to that of omatek who has 0.572% and is preferable to that of Cwg.

 OR

 Debt/debt + equity

 =6,614,027,000,000 / 6,614,027,000,000 + 85,016,510,000,000

 =6,614,027,000,000 / 91,630,537,000,000

 =0.07%

Cwg has 0.07 but omatek has 0.364 in this case omatek will be considered more beneficial to the investors because they have 0.32 which is higher than that of cwg company plc.

1. Total debt to shareholders fund

Non-current liabilities + current liabilities / equity

6,614,027,000,000 + 16,668,722,000,000 / 85,016,510,000,000

23,282,749,000,000 / 85,016,510,000,000

 =0.3%