NAME: ROTIMI MARY ANUOLUWAPO

MATRIC NO: 17/SMS02/056

TITLE OF TERM PAPER: ACCOUNTING RATIOS

NAMES OF COMPANIES ANALYZED:

- **PORTLAND PAINTS & PRODUCTS**
- **BERGER PAINTS**
- **IKEJA HOTEL**
- **TRANSCORP HILTON PLC**
- **FIDELITY BANK**
- **GT BANK**
- **EKOCORP PLC**
- **FIDSON PLC**
- **DANGOTE CEMENT**
- **LAFARGE PLC**
- **OANDO PLC**
- **CONOIL PLC**
- **CHAMS**
- **NCR PLC**

Sector: Basic Materials

Companies: 1). Portland paints & products (2018)

2). Berger Paints Nigeria Plc (2018)

Ratios:

A). Liquidity Ratios

I). Current Ratio = $\frac{\text{Current Asset}}{\text{Current Liabilities}}$

Portland Paints & Products	Berger Paints Nigeria Plc
$\frac{₦1718570}{₦700439}$ = 2.5:1	$\frac{₦1646124}{₦1285038}$ = 1.3:1

Interpretation: Portland Paints & Products has a higher current ratio than berger paints Nigeria plc this shows that portland paints & products is more capable of meeting its current liabilities.

II). Quick Asset = $\frac{\text{Current Asset – Inventory}}{\text{Current Liabilities}}$

Portland Paints & Products	Berger Paints Nigeria Plc
$\frac{₦ 1718570 - ₦728047}{₦700439}$ = 1.4:1	$\frac{₦1646124 - ₦606712}{₦1285038}$ = 0.8:1

Interpretation: This show that Portland paints & products is more capable of meeting its current liabilities by converting its most liquid assets to cash.

III).Receivables Collection Period = $\frac{\text{Avg. Trade Receivables x 365 days}}{\text{Credit Sales}}$

Portland Paints & Products	Berger Paints Nigeria Plc
Avg. Trade Receivables =	Avg. Trade Receivables =

$\frac{\text{₦}476180 + \text{₦}406813}{2} = \text{₦}441497$	$\frac{\text{₦}190982 + \text{₦}175390}{2} = \text{₦}183186$
Receivables Collection Period =	Receivables Collection Period =
$\frac{\text{₦}441497}{\text{₦}2829562} \times 365 \text{ days} = 57\text{days}$	$\frac{\text{₦}183186}{\text{₦}377223} \times 365 \text{ days} = 182\text{days}$

Interpretation: This shows that Portland paints & a product has a more favorable receivables collection period because it has a shorter collection period than Berger paints.

IV).Payables Payment Period = $\frac{\text{Avg. Trade Payables} \times 365 \text{ days}}{\text{Credit Purchases}}$

Portland Paints & Products	Berger Paints Nigeria Plc
Avg. Trade Payables =	Avg. Trade Payables =
$\frac{\text{₦}501988 + \text{₦}497755}{2} = \text{₦}499872$	$\frac{\text{₦}622491 + \text{₦}557395}{2} = \text{₦}589943$
Payables Payment Period =	Payables Payment Period =
$\frac{\text{₦}499872}{\text{₦}1753972} \times 365 = 104\text{days}$	$\frac{\text{₦}58994\ 3}{\text{₦}1896862} \times 365 = 114\text{days}$

Interpretation: This shows that Portland paints & product has a more favorable payables collection period because it has a longer collection period than Berger paints.

V). Inventory Turnover Period= $\frac{\text{Avg. Inventory} \times 365 \text{ days}}{\text{Cost of Sales}}$

Portland Paints & Products	Berger Paints Nigeria Plc
Avg. Inventory=	Avg. Inventory=
$\frac{\text{₦}\ (728047 + 900430)}{2} = \text{₦}814239$	$\frac{\text{₦}\ (606712 + 574991)}{2} = \text{₦}590852$

Inventory Turnover Period =	Inventory Turnover Period =
₦814239 x 365 = 169days	₦590852 x 365 = 114days
₦1753972	₦1896862

Interpretation: This shows that Berger paints has a more favorable inventory turnover period because it has a shorter turnover period than Portland paints & products.

VI). Receivables Turnover = Credit Sales / Avg. Receivables

Portland Paints & Products	Berger Paints Nigeria Plc
₦2829562 / ₦441497 = 6.4times	₦377223 / ₦183186 = 2.1times

Interpretation: This show that Portland paints & products has a more favorable receivables turnover ratio because it is higher than Berger paints's ratio. It also indicates that Portland paints & products has a higher proportion of customers that pay their debts on time.

VII). Payables Turnover = Credit Purchases / Avg. payables

Portland Paints & Products	Berger Paints Nigeria Plc
₦1753972 / ₦499872 =4times	₦1896862 / ₦589943 =3.2time

Interpretation: This shows that Portland paints & products has a more favorable payables turnover ratio because it is higher than Berger paints. It also indicates that Portland paints & products makes prompt payment to suppliers for purchases made on credit.

VIII).Inventory Turnover = Cost of Sales / Avg. Inventory

Portland Paints & Products	Berger Paints Nigeria Plc
₦1753972 = 2.2times	₦1896862 = 3.2times
₦814239	₦590852

Interpretation: This shows that Portland paints & products has a more favorable inventory turnover ratio because it is lower than Berger paints's ratio. A lower Inventory turnover ratio is more desirable than a higher value.

B). Efficiency Ratios:

I). Return on Capital Employed = $\frac{\text{PBI}}{\text{Capital Employed}} \times 100$

Portland Paints & Products	Berger Paints Nigeria Plc
₦307533 x 100 = 20%	₦454328 x 100 = 14%
₦1551029	₦3250261

Interpretation: Portland paints & products has a more favorable return on capital employed ratio because it is higher than Berger paints. It also indicates that Portland paints & products uses its capital more efficiently.

II).Gross Profit Margin = $\frac{\text{Gross Profit}}{\text{Sales}} \times 100$

Portland Paints & Products	Berger Paints Nigeria Plc
₦1075290 x 100 = 38%	₦1480361 x 100 = 44%
₦2829262	₦3377223

Interpretation: Berger paints has a more favorable gross profit margin because it is higher than Portland paints & products. It also indicates that Berger paints makes reasonable profit on sales.

III).Net Profit Margin = $\frac{\text{Net Profit}}{\text{Sales}}$ x 100

Portland Paints & Products	Berger Paints Nigeria Plc
$\frac{₦206693}{₦2829262}$ x 100 = 7%	$\frac{₦320509}{₦3377223}$ x 100 = 9%

Interpretation: Berger paints has a more favorable net profit margin because it is higher than Portland paints & products.

IV).Expenses % = $\frac{\text{Individual Expenses}}{\text{Total Expense}}$ x 100

Portland Paints & Products	Berger Paints Nigeria Plc
Selling & Distribution Expenses=	Selling & Distribution Expenses=
$\frac{₦264619}{₦816502}$ x 100 =32%	$\frac{₦237375}{₦1066984}$ x 100 = 22%
Administrative Expenses =	Administrative Expenses=
$\frac{₦551883}{₦816502}$ x 100 =68%	$\frac{₦829609}{₦1066984}$ x 100= 78%

Interpretation: This shows that Berger paints has a more favorable selling and distribution expenses percentage because it is lower than Portland paints & products. For administrative expenses it shows that Portland paints & products‘s percentage is more favorable because it is lower than Berger paints‘s percentage.

V). Expenses to Sales = $\frac{\text{Individual Expenses}}{\text{Sales}}$ x 100

Portland Paints & Products	Berger Paints Nigeria Plc
Selling & Distribution Expenses=	Selling & Distribution Expenses=
$\frac{₦264619}{₦2829262}$ x 100 = 9%	$\frac{₦237375}{₦3377223}$ x 100 = 7%
Administrative Expenses	Administrative Expenses=
$\frac{₦551883}{₦2829262}$ x 100 = 20%	$\frac{₦829609}{₦3377223}$ x 100= 24%

Interpretation: This shows that Berger paints has a more favorable selling and distribution expenses to sales percentage because it is lower than Portland paints & products. For administrative expenses it shows that Portland paints & products's percentage is more favorable because it is lower than Berger paints' percentage.

C). Investor's Ratios:

I).Earnings per Share: $\frac{\text{PAT – Preference Dividend}}{\text{No. of Ordinary Share}}$

Portland Paints & Products	Berger Paints Nigeria Plc
$\frac{₦206693 – 0}{793416\text{shares}}$ =₦0.26/share	$\frac{₦320509000}{289823447\text{shares}}$ =₦1.11/share

Interpretation: Berger paints has a more favorable EPS ratio because it is higher than Portland paints & products' ratio.

II). Price Earnings Ratio = $\frac{\text{MPS}}{\text{EPS}}$

Portland Paints & Products	Berger Paints Nigeria Plc
$\frac{₦2.80}{₦0.26}$ =10.8years	$\frac{₦8.60}{₦1.11}$ =7.7years

Interpretation: Portland Paints & Products has a more favorable P/E ratio because it is higher than Berger Paints Nigeria Plc .

III). Earnings Yield = $\frac{\text{EPS}}{\text{MPS}}$ x100

Portland Paints & Products	Berger Paints Nigeria Plc
$\frac{₦0.26}{₦2.80}$ x100 =9%	$\frac{₦1.11}{₦8.60}$ x100 =13%

Interpretation: Berger Paints Nigeria Plc has a more favorable earnings yield because it is higher than Portland Paints & Products.

IV). Net Asset per Share = $\frac{\text{Net Assets – Preference Capital}}{\text{No. of Ordinary Share}}$

Portland Paints & Products	Berger Paints Nigeria Plc
$\frac{₦1536981 – 0}{793416\text{shares}}$ =₦1.94/share	$\frac{₦2813052000 – 0}{289823447\text{shares}}$ =₦9.71/Share

Interpretation: Berger Paints Nigeria Plc has a more favorable Net Asset per share value because it is higher than Portland Paints & Products. .

V). Dividend per Share = $\frac{\text{Gross Dividend}}{\text{No. of Ordinary Share}}$

Portland Paints & Products	Berger Paints Nigeria Plc
No Dividend	$\frac{₦1449122000}{289823447\text{shares}}$ =₦5/share

Interpretation: This shows the value of dividend per share of Berger Paints Nigeria Plc

VI). Dividend Pay-Out Ratio = $\frac{DPS}{EPS} \times 100$

Portland Paints & Products	Berger Paints Nigeria Plc
No Dividend	$\frac{₦5}{₦1.11} \times 100 = 450\%$

Interpretation: Berger Paints Nigeria Plc dividend payout ratio indicates that the company is paying out more dividends than its earnings.

VII). Dividend Yield = $\frac{DPS}{MPS} \times 100$

Portland Paints & Products	Berger Paints Nigeria Plc
No Dividend	$\frac{₦5}{₦2.80} \times 100 = 179\%$

Interpretation: Berger Paints Nigeria Plc has a high Dividend yield percentage.

VIII). Dividend Cover = $\frac{EPS}{DPS}$

Portland Paints & Products	Berger Paints Nigeria Plc
No Dividend	$\frac{₦1.11}{₦5} = 0.22\text{times}$

Interpretation: The Dividend Cover for Berger Paints Nigeria Plc is not considered to be healthy because it is below 1.5.This means that the company is paying a large proportion of its earnings as dividend.

D). Stability Ratios:

I). Gearing Ratio = $\frac{\text{Non -Current Liabilities + Preference Capital}}{\text{Capital Employed}} \times 100$

Portland Paints & Products	Berger Paints Nigeria Plc

Portland Paints & Products	Berger Paints Nigeria Plc
₦14048 – 0 x 100= 0.9%	₦437209 - 0 x100 = 13%
₦1551029	₦3250261

Interpretation: This shows that both companies are not highly geared. Portland Paints & Products is less risky since its gearing ratio is lower.

II). Fixed Interest Cover = PBIT / Fixed Interest

Portland Paints & Products	Berger Paints Nigeria Plc
₦100840 = 9.3times	₦454328 = 23.7times
₦10901	₦19160

Interpretation: Berger Paints Nigeria Plc has a more favorable Fixed Interest Cover.

III).Total Debt to Shareholders Funds = Non- Current liabilities + Current Liabilities x 100 / Equity

Portland Paints & Products	Berger Paints Nigeria Plc
₦14048 + ₦700439 x 100 = 46%	₦437209 + ₦1285038 x 100 =61%
₦1536981	₦2813052

Interpretation: Portland Paints & Products‘s debt to Shareholders Funds is lower which is more favorable than Berger Paints Nigeria Plc which indicates that a lower amount of financing is from debt.

SECTOR: Consumer Goods

COMPANIES: 1). Guinness Nigeria

2).Nigeria Breweries

Ratios:

A). Liquidity Ratios:

I). Current Ratio = Current Asset

Current Liabilities

Guinness Nigeria Plc	Nigeria Breweries Plc
₦54610047 = 1.3:1 ₦42847115	₦86282924 = 0.6:1 ₦140383143

Interpretation: This shows that Guinness Nigeria is more capable to meet its current liability obligations than Nigeria Breweries because it has a higher and ideal current ratio.

II). Quick Asset = Current Asset – Inventory
Current Liabilities

Guinness Nigeria Plc	Nigeria Breweries Plc
₦54610047 – ₦19032362 = 0.8:1times ₦42847115	₦86282924 - ₦32506824 =0.4:1 ₦140383143

Interpretation: This shows that Guinness Nigeria is more capable to meet its current liability obligations by converting its liquid assets to cash than Nigeria Breweries because it has a higher even though it's not an ideal quick asset ratio.

III).Receivables Collection Period = Avg. Trade Receivables x 365 days
Credit Sales

Guinness Nigeria Plc	Nigeria Breweries Plc
Avg. Trade Receivables= ₦23890304 + ₦22966508 = ₦23428406 2	Avg. Trade Receivables= ₦35153451 + ₦20384112 = ₦27768782 2
Receivables Collection Period = ₦23428406 x 365 = 60days	Receivables Collection Period = ₦27768782 x 365 = 30days

₦142975792 ₦350226472

Interpretation: This shows that Nigeria Breweries has a more favorable receivables collection period because it is shorter than that of Guinness Nigeria.

IV).Payables Payment Period = Avg. Trade Payables x 365 days / Credit Purchases

Guinness Nigeria Plc	Nigeria Breweries Plc
Avg. Trade Payables =	Avg. Trade Payables =
(₦31175725 + ₦43025618) / 2 = ₦37100672	(₦114881134 + ₦128646043) / 2 =₦121763589
Payables Payment Period =	Payables Payment Period =
₦37100672 / ₦94350387 x 365 days=144days	₦121763589 / ₦324388500 x 365 days =137days

Interpretation: This shows that Guinness Nigeria has a more favorable payables collection period because it is longer than that of Nigeria Breweries Plc.

V). Inventory Turnover Period= Avg. Inventory x 365 days / Cost of Sales

Guinness Nigeria Plc	Nigeria Breweries Plc
Avg. Inventory=	Avg. Inventory=
(₦19032362 + ₦23094499) / 2 = ₦21063431	(₦32506824 + ₦42728862) / 2 = ₦37617843
Inventory Turnover Period =	Inventory Turnover Period =
₦21063431 / ₦94350387 x 365 = 81days	₦37617843 / ₦324388500 x 365 = 42days

Interpretation: This shows that Nigeria Breweries has a more favorable inventory turnover period because it is shorter than that of Guinness Nigeria.

VI). Receivables Turnover = $\frac{\text{Credit Sales}}{\text{Avg. Receivables}}$

Guinness Nigeria Plc	Nigeria Breweries Plc
₦142975792 = 6.1times	₦35022647 =1.3times
₦23428406	₦27768782

Interpretation: This shows that Guinness Nigeria has a more favorable receivable turnover ratio because it is higher than that of Nigeria Breweries, which indicates that Guinness Nigeria has a higher proportion of customers that pay their debts on time.

VII). Payables Turnover = $\frac{\text{Credit Purchases}}{\text{Avg. payables}}$

Guinness Nigeria Plc	Nigeria Breweries Plc
₦94350387 =2.5times	₦324388500 =2.7times
₦37100672	₦121763589

Interpretation: This shows that Nigeria Breweries Plc has a more favorable payables turnover ratio because it is higher than Guinness Nigeria Plc.

VIII).Inventory Turnover = $\frac{\text{Cost of Sales}}{\text{Avg. Inventory}}$

Guinness Nigeria Plc	Nigeria Breweries Plc

₦94350387 = 4.5times ₦21063431

₦324388500 =8.7times ₦37617843

Interpretation: This shows that Guinness Nigeria Plc has a more favorable inventory turnover ratio because it is shorter than Nigeria Breweries Plc. A shorter ratio is more desirable.

B). Efficiency Ratios:

I). Return on Capital Employed = $\frac{\text{PBIT}}{\text{Capital Employed}} \times 100$

Guinness Nigeria Plc	Nigeria Breweries Plc
$\frac{₦9943164}{₦110407853} \times 100 = 9\%$	$\frac{₦29359828}{₦248383173} \times 100 = 12\%$

Interpretation: Nigeria Breweries Plc has a more favorable return on capital employed ratio because it is higher than Guinness Nigeria Plc. It also indicates that Nigeria Breweries Plc uses its capital more efficiently.

II).Gross Profit Margin = $\frac{\text{Gross Profit}}{\text{Sales}} \times 100$

Guinness Nigeria Plc	Nigeria Breweries Plc
$\frac{₦48625405}{₦142975792} \times 100 = 34\%$	$\frac{₦126903806}{₦350226472} \times 100 = 36\%$

Interpretation: Nigeria Breweries Plc has a more favorable gross profit margin because it is higher than Guinness Nigeria Plc.

III).Net Profit Margin = $\frac{\text{Net Profit}}{\text{Sales}} \times 100$

Guinness Nigeria Plc	Nigeria Breweries Plc
$\frac{₦6717605}{₦142975792}$ x 100 = 5%	$\frac{₦29359828}{₦350226472}$ x 100 = 8%

Interpretation: Nigeria Breweries Plc has a more favorable net profit margin because it is higher than Guinness Nigeria Plc.

IV).Expenses % = $\frac{\text{Individual Expenses}}{\text{Total Expense}}$ x 100

Guinness Nigeria Plc	Nigeria Breweries Plc
Marketing and Distribution Expenses =	Marketing and Distribution Expenses =
$\frac{₦26012074}{₦35907520}$ x 100 = 72%	$\frac{₦70052363}{₦90832372}$ x 100 = 77%
Administrative Expense =	Administrative Expense =
$\frac{₦9895446}{₦35907520}$ x 100 = 28%	$\frac{₦20780009}{₦90832372}$ x 100 = 23%

Interpretation: This shows that Guinness Nigeria Plc has a more favorable marketing and distribution expenses percentage because it is lower than Nigeria Breweries Plc. For administrative expenses Nigeria Breweries Plc ‘s percentage is more favorable because it is lower than Guinness Nigeria Plc.

V). Expenses to Sales = $\frac{\text{Individual Expenses}}{\text{Sales}}$ x 100

Guinness Nigeria Plc	Nigeria Breweries Plc
Marketing and Distribution Expenses =	Marketing and Distribution Expenses =
$\frac{₦26012074}{₦142975792}$ x 100 = 18%	$\frac{₦70052363}{₦350226472}$ x 100 = 20%

Administrative Expense = ₦9895446 x 100 = 7%
₦142975792

Administrative Expense = ₦20780009 x 100 =15%
₦142975792

Interpretation: This shows that Guinness Nigeria Plc has a more favorable marketing and distribution expenses to sales percentage because it is lower than Nigeria Breweries Plc. For administrative expenses Guinness Nigeria Plc's percentage is also more favorable because it is lower than Nigeria Breweries Plc's percentage.

C). Investor's Ratios:

I).Earnings per Share = PAT – Preference Dividend / No. of Ordinary Share

Guinness Nigeria	Nigeria Breweries
₦6717605 – 0 =₦3.30/share 2034731shares	₦19401169 – 0 =₦2.43/share 7996902shares

Interpretation: Guinness Nigeria has a more favourable EPS ratio because it is higher than Nigeria Breweries's ratio.

II). Price Earnings Ratio = MPS / EPS

Guinness Nigeria	Nigeria Breweries
NO MPS	NO MPS

III). Earnings Yield = EPS / MPS

Guinness Nigeria	Nigeria Breweries

NO MPS	NO MPS

IV). Net Asset per Share = $\frac{\text{Net Assets – Preference Capital}}{\text{No. of Ordinary Share}}$

Guinness Nigeria	Nigeria Breweries
$\frac{₦87588174 – 0}{2034731 shares}$ =₦43/share	$\frac{₦166644184 – 0}{7996702 shares}$ =₦21/share

Interpretation: Guinness Nigeria has a more favorable Net Asset per share value because it is higher than Nigeria Breweries's value.

V). Dividend per Share $\frac{\text{= Gross Dividend}}{\text{No. of Ordinary Share}}$

Guinness Nigeria	Nigeria Breweries
$\frac{₦963768}{2034731 shares}$ = ₦0.5/share	$\frac{₦29828444}{7996702 shares}$= ₦3.7/share

Interpretation: This shows the value of dividend per share of Guinness Nigeria and Nigeria Breweries. Nigeria Breweries has a more favorable DPS.

VI). Dividend Pay-Out Ratio = $\frac{\text{DPS x}}{\text{EPS}}$ 100

Guinness Nigeria	Nigeria Breweries
$\frac{₦0.5}{N3.30}$ x 100 =15%	$\frac{₦3.7}{₦2.43}$ x 100 =152%

Interpretation: Nigeria Breweries dividend payout ratio indicates that the company is paying out more dividends than its earnings. While Guinness Nigeria's dividend payout ratio is a low ratio indicating a more stable ratio.

VII). Dividend Yield = $\frac{\text{DPS}}{\text{MPS}} \times 100$

Guinness Nigeria	Nigeria Breweries
NO MPS	NO MPS

VIII). Dividend Cover = $\frac{\text{PAT – Preference Dividend}}{\text{Total Dividend}}$

Guinness Nigeria Plc	Nigeria Breweries Plc
$\frac{₦6717605 – 0}{₦963768}$ = 7times	$\frac{₦19401169 – 0}{₦29828444}$ =0.7times

Interpretation: The Dividend Cover for Guinness Nigeria Plc is considered to be healthier than that of Nigeria Breweries Plc.

D). Stability Ratios:

I). Gearing Ratio = $\frac{\text{Non -Current Liabilities + Preference Capital}}{\text{Capital Employed}} \times 100$

Guinness Nigeria Plc	Nigeria Breweries Plc
$\frac{₦22819679 + 0}{₦87588174}$ x 100 = 26%	$\frac{₦81738989 + 0}{₦248383173}$ x 100 = 33%

Interpretation: This shows that both companies are not highly geared. They are not considered to be of low risk but Guinness Nigeria Plc gearing ratio is lower which is more favorable.

II). Fixed Interest Cover = $\frac{\text{PBIT}}{\text{Fixed Interest}}$

Guinness Nigeria Plc	Nigeria Breweries Plc
$\frac{₦9943164}{₦5644560}$ = 1.8times	$\frac{₦29359828}{₦7958893}$ =3.7times

Interpretation: Nigeria Breweries Plc has a more favorable Fixed Interest Cover.

III).Total Debt to Shareholders Funds = $\frac{\text{Non- Current liabilities + Current Liabilities}}{\text{Equity}}$ x 100

Guinness Nigeria Plc	Nigeria Breweries Plc
$\frac{₦22819679 + ₦42847115}{₦87588174}$ x 100 = 75%	$\frac{₦81738989 + ₦140383143}{₦166644184}$ x 100 = 133%

Interpretation: Guinness Nigeria Plc's debt to Shareholders Funds is lower which is more favorable. It indicates that a lower amount of financing is from debt.

SECTOR: Consumer Services

COMPANIES: 1). Ikeja Hotel

2).Transcorp Hotel

Ratios:

A). Liquidity Ratios

I). Current Ratio = $\frac{\text{Current Asset}}{\text{Current Liabilities}}$

Ikeja Hotel	Transcorp Hotel
$\frac{\text{₦}4051588}{\text{₦}6754209} = 0.6:1$	$\frac{\text{₦}5722247}{\text{₦}19621972} = 0.3:1$

Interpretation: This shows that Ikeja hotel is more capable to meet its current liability obligations than Transcorp hotel because it has a higher, even though it's not an ideal current ratio.

II). Quick Asset = $\frac{\text{Current Asset – Inventory}}{\text{Current Liabilities}}$

Ikeja Hotel	Transcorp Hotel
$\frac{\text{₦}4051588 - \text{₦}55333}{\text{₦}6754209} = 0.6:1$	$\frac{\text{₦}5722247 - \text{₦}526851}{\text{₦}19621972} = 0.3:1$

Interpretation: This shows that Ikeja hotel is more capable to meet its current liability obligations by converting its liquid assets to cash than Transcorp hotel because it has a higher even though it's not an ideal quick asset ratio.

III).Receivables Collection Period = $\frac{\text{Avg. Trade Receivables}}{\text{Credit Sales}} \times 365 \text{ days}$

Ikeja Hotel	Transcorp Hotel
Avg. Trade Receivables=	Avg. Trade Receivables=
$\frac{\text{₦}770733 + \text{₦}671749}{2} = \text{₦}721241$	$\frac{\text{₦}2051882 + \text{₦}4066555}{2} = \text{₦}3059219$
Receivables Collection Period=	Receivables Collection Period=
$\frac{\text{₦}721241}{\text{₦}7290231} \times 365 \text{ days} = 36\text{days}$	$\frac{\text{₦}3059219}{\text{₦}16475720} \times 365 \text{ days} = 68\text{days}$

Interpretation: This shows that Ikeja hotel has a more favorable receivables collection period because it has a shorter collection period than Transcorp hotel.

IV).Payables Payment Period = Avg. Trade Payables x 365 days

Credit Purchases

Ikeja Hotel

Avg. Trade Payables=

$$\frac{\text{₦}1252102 + \text{₦}1113701}{2} = \text{₦}1182902$$

Payables Payment Period=

$$\frac{\text{₦}1182902}{\text{₦}4670742} \times 365 \text{ days} = 92\text{days}$$

Transcorp Hotel

Avg. Trade Payables=

$$\frac{\text{₦}7804949 + \text{₦}3665688}{2} = \text{₦}5735319$$

Payables Payment Period=

$$\frac{\text{₦}5735319}{\text{₦}4233787} \times 365 \text{ days} = 494\text{days}$$

Interpretation: This shows that Transcorp hotel has a more favorable payables collection period because it is longer than that of Ikeja hotel.

V). Inventory Turnover Period= $\frac{\text{Avg. Inventory}}{\text{Cost of sales}} \times 365$ days

Ikeja Hotel

Avg. Inventory=

$$\frac{\text{₦}55333 + \text{₦}266695}{2} = \text{₦}161014$$

Inventory Turnover Period=

$$\frac{\text{₦}161014}{\text{₦}4670742} \times 365 \text{ days} = 13\text{days}$$

Transcorp Hotel

Avg. Inventory=

$$\frac{\text{₦}526851 + \text{₦}666150}{2} = \text{₦}596501$$

Inventory Turnover Period=

$$\frac{\text{₦}596501}{\text{₦}4233787} \times 365 \text{ days} = 51\text{days}$$

Interpretation: This shows that Ikeja Hotel has a more favorable inventory turnover period because it is shorter than that of Transcorp Hotel.

VI). Receivables Turnover = $\frac{\text{Credit Sales}}{\text{Avg. Receivables}}$

Ikeja Hotel	Transcorp Hotel
$\frac{₦7290231}{₦721241}$ =10times	$\frac{₦16475720}{₦3059219}$ = 5times

Interpretation: This shows that Ikeja hotel has a more favorable receivable turnover ratio because it is higher than that of Transcorp hotel, which indicates that Ikeja hotel has a higher proportion of customers that pay their debts on time.

VII). Payables Turnover = $\frac{\text{Credit Purchases}}{\text{Avg. payables}}$

Ikeja Hotel	Transcorp Hotel
$\frac{₦4670742}{₦118290}$ = 39times	$\frac{₦4233787}{₦5735319}$=0.7times

Interpretation: This shows that Ikeja hotel has a more favorable payables turnover ratio because it is higher than Transcorp hotel.

VIII).Inventory Turnover = $\frac{\text{Cost of Sales}}{\text{Avg. Inventory}}$

Ikeja Hotel	Transcorp Hotel
$\frac{₦4670742}{₦161014}$ =29times	$\frac{₦4233787}{₦596501}$=7times

Interpretation: This shows that Transcorp hotel has a more favorable inventory turnover ratio because it is shorter than Ikeja Hotel. A shorter ratio is more desirable.

B). Efficiency Ratios:

I). Return on Capital Employed = $\frac{\text{PBIT}}{\text{Capital Employed}} \times 100$

Ikeja Hotel	Transcorp Hotel
$\frac{₦827273}{₦17854901} \times 100 = 4\%$	$\frac{₦5187367}{₦89163718} \times 100 = 6\%$

Interpretation: Transcorp hotel has a more favorable return on capital employed ratio because it is higher than Ikeja hotel. It also indicates that Transcorp hotel uses its capital more efficiently.

II).Gross Profit Margin = $\frac{\text{Gross Profit}}{\text{Sales}} \times 100$

Ikeja Hotel	Transcorp Hotel
$\frac{₦2619489}{₦7290231} \times 100 = 40\%$	$\frac{₦12241933}{₦16475720} \times 100 = 74\%$

Interpretation: Transcorp hotel has a more favorable gross profit margin because it is higher than Ikeja hotel.

III).Net Profit Margin = $\frac{\text{Net Profit}}{\text{Sales}} \times 100$

Ikeja Hotel	Transcorp Hotel
₦677034 x 100 =9%	₦3876300 x 100 =24%

₦7290231 ₦16475720

Interpretation: Transcorp hotel has a more favorable net profit margin because it is higher than Ikeja hotel.

IV).Expenses % = Individual Expenses x 100
Total Expense

Ikeja Hotel	Transcorp Hotel
Sales and Marketing Expenses=	
₦236584 x 100 =19% ₦1219990	
Administrative Expenses=	
₦983406 x 100 =81% ₦1219990	

Interpretation: This shows that Ikeja hotel sales and marketing expenses percentage is low while its administrative expenses s percentage is higher.

V). Expenses to Sales = Individual Expenses x 100
Sales

Ikeja Hotel	Transcorp Hotel
Sales and Marketing Expenses=	Sales and Marketing Expenses=
₦236584 x 100 =3% ₦7290231	No Sales and Marketing Expenses
Administrative Expenses=	Administrative Expenses=
₦983406 x 100 =13% ₦7290231	₦7835534 x 100 =48% ₦16475720

Interpretation: This shows that Ikeja hotel marketing and distribution expenses to sales percentage is low. For administrative expenses Ikeja hotel‘s percentage is more favorable because it is lower than Transcorp hotel‘s percentage.

C). Investor’s Ratios:

I).Earnings per Share = PAT – Preference Dividend / No. of Ordinary Share

Ikeja Hotel	Transcorp Hotel
₦677034 -0 =₦0.33/share 2078796399shares	₦3876300000 – 0 =₦0.51/share 7600403900shares

Interpretation: Transcorp hotel has a more favorable EPS ratio because it is higher than Ikeja hotel‘s ratio.

II). Price Earnings Ratio = MPS / EPS

Ikeja Hotel	Transcorp Hotel
NO MPS	NO MPS

III). Earnings Yield = EPS / MPS

Ikeja Hotel	Transcorp Hotel
NO MPS	NO MPS

IV). Net Asset per Share = Net Assets – Preference Capital / No. of Ordinary Share

Ikeja Hotel	Transcorp Hotel
₦8102939000 – 0 =₦4/share 2078796399shares	₦57637528000 – 0 =₦8/share 7600403900shares

Interpretation: Transcorp hotel has a more favorable Net Asset per share value because it is higher than Ikeja hotel's value.

V). Dividend per Share = $\frac{\text{Gross Dividend}}{\text{No. of Ordinary Share}}$

Ikeja Hotel	Transcorp Hotel
No Dividend	$\frac{₦1140060585}{7600403900\text{shares}}$ = ₦0.15/share

Interpretation: This shows the value of dividend per share of Transcorp hotel.

VI). Dividend Pay-Out Ratio = $\frac{\text{DPS}}{\text{EPS}}$ x 100

Ikeja Hotel	Transcorp Hotel
No Dividend	$\frac{₦0.15}{₦0.51}$ x 100 = 29%

Interpretation: Transcorp Hotel's dividend payout ratio indicates a stable ratio, since it's not above 100%

VII). Dividend Yield = $\frac{\text{DPS}}{\text{MPS}}$ x 100

Ikeja Hotel	Transcorp Hotel
NO MPS	NO MPS

VIII). Dividend Cover = $\frac{\text{PAT – Preference Dividend}}{\text{Total Dividend}}$

Ikeja Hotel	Transcorp Hotel
No Dividend	$\frac{₦3876300000 - 0}{₦1140060585}$ = 3.4times

Interpretation: The Dividend Cover for Transcorp hotel is considered to be healthy.

D). Stability Ratios:

I). Gearing Ratio = $\frac{\text{Non -Current Liabilities + Preference Capital}}{\text{Capital Employed}}$ x 100

Ikeja Hotel	Transcorp Hotel
$\frac{₦9751962 + 0}{₦17854901}$ x 100 =55%	$\frac{₦31526190}{₦57637528}$ x 100 =55%

Interpretation: This shows that both companies are highly geared.

II). Fixed Interest Cover = $\frac{\text{PBIT}}{\text{Fixed Interest}}$

Ikeja Hotel	Transcorp Hotel
$\frac{₦827273}{₦1544299}$ =0.5times	No fixed Interest

Interpretation: Ikeja Hotel has a low Fixed Interest Cover, this shows that the company is not generating enough revenue to satisfy interest expenses.

III).Total Debt to Shareholders Funds = $\frac{\text{Non- Current liabilities + Current Liabilities}}{\text{Equity}}$ x 100

Ikeja Hotel	Transcorp Hotel

₦9751962 + ₦6754209 x 100 = 204%	₦31526190 + ₦51148162 x 100 = 143%
₦8102939	₦57637528

Interpretation: Transcorp hotel's debt to Shareholders Funds is lower which is more favorable. It indicates that a lower amount of financing is from debt.

SECTOR: Financials

COMPANIES: 1). Fidelity Bank Plc

2).GT Bank Plc

A). Efficiency Ratios:

I). Return on Capital Employed = $\frac{\text{PBIT}}{\text{Capital Employed}}$ x 100

Fidelity Bank	GT Bank
₦25089 x 100=13%	₦190209286 x 100 =37%
₦194416	₦511842259

Interpretation: GT Bank has a more favorable return on capital employed ratio because it is higher. It also indicates that GT Bank uses its capital more efficiently.

.

II).Gross Profit Margin = $\frac{\text{Gross Profit}}{\text{Sales}}$ x 100

Fidelity Bank	GT Bank
₦69587 x 100= 37%	No Gross Earnings
₦188873	

Interpretation: Fidelity Bank has a high gross profit margin.

III).Net Profit Margin = $\frac{\text{Net Profit}}{\text{Sales}}$ x 100

Fidelity Bank	GT Bank
$\frac{₦22926}{₦188873}$ x 100=12%	No Gross Earnings

Interpretation: Fidelity Bank has a high gross profit margin

B). Investor's Ratios:

I).Earnings per Share = $\frac{\text{PAT – Preference Dividend}}{\text{No. of Ordinary Share}}$

Fidelity Bank	GT Bank
$\frac{₦22926}{28963\text{shares}}$ =₦0.79/share	$\frac{₦166919765}{29431179\text{shares}}$ =₦5.67/share

Interpretation: GT Bank has a more favorable EPS ratio because it is higher.

II). Net Asset per Share = $\frac{\text{Net Assets – Preference Capital}}{\text{No. of Ordinary Share}}$

Fidelity Bank	GT Bank
$\frac{₦194416}{28963\text{shares}}$ = ₦6.7/share	$\frac{₦511842259}{29431179\text{shares}}$ =₦17.3/share

Interpretation: GT Bank has a more favorable Net Asset per share value because it is higher

III). Dividend per Share = $\frac{\text{Gross Dividend}}{\text{No. of Ordinary Share}}$

Fidelity Bank	GT Bank

NO DIVIDEND	₦79464184 =₦2.7/share 29431179shares

Interpretation: The DPS for GT Bank is ₦2.7/share

C). Stability Ratios:

I). Fixed Interest Cover = $\frac{\text{PBIT}}{\text{Fixed Interest}}$

Fidelity Bank	GT Bank
$\frac{₦25089}{₦84059}$ =0.3times	$\frac{₦190209286}{₦69569079}$=2.7times

Interpretation: Fidelity Bank has a low Fixed Interest Cover, this shows that the company is not generating enough revenue to satisfy interest expenses.

II).Total Debt to Shareholders Funds = $\frac{\text{Non- Current liabilities + Current Liabilities}}{\text{Equity}}$ x 100

Fidelity	GT Bank
$\frac{₦1525467}{₦194416}$ x 100 =785%	$\frac{₦2200679235}{₦511842259}$ x 100 =430%

Interpretation: GT Bank's debt to Shareholders Funds is lower which is more favorable. It indicates that a lower amount of financing is from debt.

SECTOR: Healthcare

COMPANIES: 1).Ekocorp Plc

2).Fidson Healthcare Plc

Ratios:

A). Liquidity Ratios

I). Current Ratio = $\frac{\text{Current Asset}}{\text{Current Liabilities}}$

Ekocorp Plc	Fidson Healthcare Plc
$\frac{₦278129}{₦1499792}$ = 0.2:1	$\frac{₦7575483}{₦10535885}$ =0.7:1

Interpretation: This shows that Fidson Healthcare Plc is more capable to meet its current liability obligations than Ekocorp Plc because it has a higher, even though it's not an ideal current ratio.

II). Quick Asset = $\frac{\text{Current Asset – Inventory}}{\text{Current Liabilities}}$

Ekocorp Plc	Fidson Healthcare Plc
$\frac{₦278129 – ₦50367}{₦149979}$ =1.5:1	$\frac{₦7575483 – ₦2875133}{₦10535885}$ = 0.4:1

Interpretation: This shows that Ekocorp Plc is more capable to meet its current liability obligations by converting its liquid assets to cash than Fidson Healthcare Plc because it has a higher even though it's not an ideal quick asset ratio.

III).Receivables Collection Period = $\frac{\text{Avg. Trade Receivables}}{\text{Credit Sales}}$ x 365 days

Ekocorp Plc	Fidson Healthcare Plc
Avg. Trade Receivables=	Avg. Trade Receivables=
$\frac{₦212842 + ₦163353}{2}$ = ₦188098	$\frac{₦2875133 + ₦1756629}{2}$ = ₦2315881

Receivables Collection Period=	Receivables Collection Period=
$\frac{₦188098}{₦1472720}$ x365 days =47days	$\frac{₦2315881}{₦16229903}$ x365 days =52days

Interpretation: This shows that Ekocorp Plc has a more favorable receivables collection period because it has a shorter collection period than Fidson Healthcare Plc.

IV).Payables Payment Period = $\frac{\text{Avg. Trade Payables}}{\text{Credit Purchases}}$ x 365 days

Ekocorp Plc	Fidson Healthcare Plc
Avg. Trade Payables=	Avg. Trade Payables=
N1258913 + N1150367 = ₦1204640 2	$\frac{₦3682712 + ₦3637147}{2}$ = ₦7319859
Payables Payment Period=	Payables Payment Period=
$\frac{₦1204640}{₦1289095}$ x 365 days =341days	$\frac{₦7319859}{₦9910219}$ x 365 days =270days

Interpretation: This shows that Ekocorp Plc has a more favorable payables collection period because it is longer than that of Fidson Healthcare Plc.

V). Inventory Turnover Period= $\frac{\text{Avg. Inventory}}{\text{Cost of Sales}}$ x 365 days

Ekocorp Plc	Fidson Healthcare Plc
Avg. Inventory=	Avg. Inventory=
$\frac{₦50367 + ₦28478}{2}$ =₦39423	$\frac{₦2875133 + ₦1756629}{2}$ =₦4631762
Inventory Turnover Period=	Inventory Turnover Period=
₦39423 x 365 days = 11days	₦4631762 x 365 days= 171days

₦1289095	₦9910219

Interpretation: This shows that Ekocorp Plc has a more favorable inventory turnover period because it is shorter than that of Fidson Healthcare Plc.

VI). Receivables Turnover = $\frac{\text{Credit Sales}}{\text{Avg. Receivables}}$

Ekocorp Plc	Fidson Healthcare Plc
$\frac{₦1472720}{₦188098}$ = 8times	$\frac{₦16229903}{₦2315881}$ =7times

Interpretation: This shows that Ekocorp Plc has a more favorable receivable turnover ratio because it is higher than that of Fidson Healthcare Plc ,which indicates that Ekocorp Plc has a higher proportion of customers that pay their debts on time.

VII). Payables Turnover = $\frac{\text{Credit Purchases}}{\text{Avg. payables}}$

Ekocorp Plc	Fidson Healthcare Plc
$\frac{₦1289095}{₦1204640}$ =1.1times	$\frac{₦9910219}{₦7319859}$ =1.4times

Interpretation: This shows that Fidson Healthcare Plc has a more favorable payables turnover ratio because it is higher than Ekocorp Plc.

VIII).Inventory Turnover = $\frac{\text{Cost of Sales}}{\text{Avg. Inventory}}$

Ekocorp Plc	Fidson Healthcare Plc
$\frac{₦1289095}{₦39423}$ =33times	$\frac{₦9910219}{₦4631762}$ =2times

Interpretation: This shows that Fidson Healthcare Plc has a more favorable inventory turnover ratio because it is shorter than Ekocorp Plc. A shorter ratio is more desirable.

B). Efficiency Ratios:

I). Return on Capital Employed = $\frac{\text{PBIT}}{\text{Capital Employed}} \times 100$

Ekocorp Plc	Fidson Healthcare Plc
$\frac{\text{₦}214651}{\text{₦}4453283} \times 100 = 5\%$	$\frac{\text{₦}160867}{\text{₦}9947440} \times 100 = 2\%$

Interpretation: Ekocorp Plc has a more favorable return on capital employed ratio because it is higher than Fidson Healthcare Plc. It also indicates that Ekocorp Plc uses its capital more efficiently.

II).Gross Profit Margin = $\frac{\text{Gross Profit}}{\text{Sales}} \times 100$

Ekocorp Plc	Fidson Healthcare Plc
$\frac{\text{₦}183625}{\text{₦}1472720} \times 100 = 12\%$	$\frac{\text{₦}6319684}{\text{₦}16229903} \times 100 = 39\%$

Interpretation: Fidson Healthcare Plc has a more favorable gross profit margin because it is higher than Ekocorp Plc.

III).Net Profit Margin = $\frac{\text{Net Profit}}{\text{Sales}} \times 100$

Ekocorp Plc	Fidson Healthcare Plc
$\frac{\text{₦}214651}{\text{₦}1472720} \times 100 = 15\%$	$\frac{\text{₦}97447}{\text{₦}16229903} \times 100 = 0.6\%$

Interpretation: has a more Ekocorp Plc favorable net profit margin because it is higher than Fidson Healthcare Plc.

IV).Expenses % = $\frac{\text{Individual Expenses}}{\text{Total Expense}}$ x 100

Ekocorp Plc	Fidson Healthcare Plc
No Administrative and Selling Expenses	Administrative and Selling Expenses= $\frac{₦2614354}{₦4519684}$ x 100 =58%
No Selling and Distribution Expenses	Selling and Distribution Expenses= $\frac{₦1905330}{₦4519684}$ x 100=42%

Interpretation: This shows that Fidson Healthcare Plc selling and marketing expenses percentage is lower while its administrative selling and expenses 's percentage is higher.

V). Expenses to Sales = $\frac{\text{Individual Expenses}}{\text{Sales}}$ x 100

Ekocorp Plc	Fidson Healthcare Plc
Operating Expense= $\frac{₦518904}{₦1472720}$ x 100 =35%	Administrative and Selling Expenses= $\frac{₦2614354}{₦16229903}$ x 100= 16%
	Selling and Distribution Expenses= $\frac{₦1905330}{₦16229903}$ x 100=12%

Interpretation: This shows that Fidson Healthcare Plc selling and marketing expenses to sales and administrative selling and expenses percentage to sales is lower than that of Ekocorp Plc 's Operating Expense percentage to sales.

C). Investor's Ratios:

I).Earnings per Share = $\frac{\text{PAT – Preference Dividend}}{\text{No. of Ordinary Share}}$

Ekocorp Plc	Fidson Healthcare Plc
$\frac{₦328468 – 0}{498601\text{shares}}$ = ₦0.66/share	$\frac{₦97447000 – 0}{1500000000\text{shares}}$ =₦0.06/share

Interpretation: Ekocorp Plc has a more favorable EPS ratio because it is higher than Fidson Healthcare Plc's ratio.

II). Price Earnings Ratio = $\frac{\text{MPS}}{\text{EPS}}$

Ekocorp Plc	Fidson Healthcare Plc
No MPS	No MPS

III). Earnings Yield = $\frac{\text{EPS}}{\text{MPS}}$

Ekocorp Plc	Fidson Healthcare Plc
No MPS	No MPS

IV). Net Asset per Share = $\frac{\text{Net Assets – Preference Capital}}{\text{No. of Ordinary Share}}$

Ekocorp Plc	Fidson Healthcare Plc
$\frac{₦315467 - 0}{498601\text{shares}}$ =₦0.6/share	$\frac{₦7153781 – 0}{1500000\text{shares}}$ =₦4.8/share

Interpretation: Fidson Healthcare Plc has a more favorable Net Asset per share value because it is higher than Ekocorp Plc's value.

V). Dividend per Share = $\frac{\text{Gross Dividend}}{\text{No. of Ordinary Share}}$

Ekocorp Plc	Fidson Healthcare Plc
No Dividend	$\frac{₦225000}{1500000\text{shares}}$ = ₦0.15/share

Interpretation: This shows the value of dividend per share of Fidson Healthcare Plc

VI). Dividend Pay-Out Ratio = $\frac{\text{DPS}}{\text{EPS}}$ x 100

Ekocorp Plc	Fidson Healthcare Plc
No Dividend	$\frac{₦0.15}{₦0.06}$ x 100 = 250%

Interpretation: Fidson Healthcare Plc dividend payout ratio indicates that the company is paying out more dividends than its earnings.

VII). Dividend Yield = $\frac{\text{DPS}}{\text{MPS}}$ x 100

Ekocorp Plc	Fidson Healthcare Plc
No MPS	No MPS

VIII). Dividend Cover = $\frac{\text{PAT – Preference Dividend}}{\text{Total Dividend}}$

Ekocorp Plc	Fidson Healthcare Plc
No Dividend	$\frac{₦97447 – 0}{₦225000}$ = 0.43times

Interpretation: The Dividend Cover for Fidson Healthcare Plc is considered not healthy

D). Stability Ratios:

I). Gearing Ratio = $\frac{\text{Non -Current Liabilities + Preference Capital}}{\text{Capital Employed}} \times 100$

Ekocorp Plc	Fidson Healthcare Plc
$\frac{₦1298611 + 0}{₦4453283} \times 100 = 29\%$	$\frac{₦2793659 + 0}{₦9947440} \times 100 = 28\%$

Interpretation: This shows that both companies are not highly geared.

II). Fixed Interest Cover = $\frac{\text{PBIT}}{\text{Fixed Interest}}$

Ekocorp Plc	Fidson Healthcare Plc
$\frac{₦225735}{₦11084} = 20\text{times}$	$\frac{₦2793659}{₦1952002} = 1.4\text{times}$

Interpretation: Fidson Healthcare Plc has a low Fixed Interest Cover, this shows that the company is not generating enough revenue to satisfy interest expenses while Ekocorp Plc has a high fixed interest cover.

III).Total Debt to Shareholders Funds = $\frac{\text{Non- Current liabilities + Current Liabilities}}{\text{Equity}} \times 100$

Ekocorp Plc	Fidson Healthcare Plc
$\frac{₦1298611 + ₦1499792}{₦315467} \times 100 = 89\%$	$\frac{₦2793659 + ₦10535885}{₦7153781} \times 100 = 186\%$

Interpretation: Ekocorp Plc's debt to Shareholders Funds is lower which is more favorable. It indicates that a lower amount of financing is from debt.

SECTOR: Industrial

COMPANIES: 1).Dangote Cement Plc

2).Lafarge Africa Plc

Ratios:

A). Liquidity Ratios

I). Current Ratio = $\frac{\text{Current Asset}}{\text{Current Liabilities}}$

Dangote Cement Plc	Lafarge Africa Plc
$\frac{₦441026}{₦284759}$ =1.5:1	$\frac{₦59629654}{₦173870677}$ = 0.3:1

Interpretation: This shows that Dangote Cement Plc is more capable to meet its current liability obligations than Lafarge Africa Plc because it has a higher, even though it's not an ideal current ratio.

.

II). Quick Asset = $\frac{\text{Current Asset – Inventory}}{\text{Current Liabilities}}$

Dangote Cement Plc	Lafarge Africa Plc
$\frac{₦441026 – ₦59280}{₦284759}$ =1.3:1	$\frac{₦59629654 – ₦28921467}{₦173870677}$ =0.8:1

Interpretation: This shows that Dangote Cement Plc is more capable to meet its current liability obligations by converting its liquid assets to cash than Lafarge Africa Plc because it has a higher even though it's not an ideal quick asset ratio.

III).Receivables Collection Period = $\frac{\text{Avg. Trade Receivables x 365 days}}{\text{Credit Sales}}$

Dangote Cement Plc	Lafarge Africa Plc
Avg. Trade Receivables=	Avg. Trade Receivables =
$\frac{₦11046 + ₦12340}{2}$ = ₦11693	$\frac{₦11167705 + ₦15930970}{2}$ = ₦13549338
Receivables Collection Period=	Receivables Collection Period=
$\frac{₦11693}{₦618301}$ x 365 days =7days	$\frac{₦13549338}{₦187043475}$ x 365 days =26days

Interpretation: This shows that Dangote Cement Plc has a more favorable receivables collection period because it has a shorter collection period than Lafarge Africa Plc.

IV).Payables Payment Period = $\frac{\text{Avg. Trade Payables x 365 days}}{\text{Credit Purchases}}$

Dangote Cement Plc	Lafarge Africa Plc
Avg. Trade Payables=	Avg. Trade Payables=
$\frac{₦92879 + ₦142737}{2}$ =₦117808	$\frac{₦49921178 + ₦69930054}{2}$ =₦59925616
Payables Payment Period=	Payables Payment Period=
$\frac{₦117808}{₦170288}$ x 365 days=253days	$\frac{₦59925616}{₦123009569}$ x 365 days =178days

Interpretation: This shows that Dangote Cement Plc has a more favorable payables collection period because it is longer than that of Lafarge Africa Plc.

V). Inventory Turnover Period= $\frac{\text{Avg. Inventory x 365 days}}{\text{Cost of Sales}}$

Dangote Cement Plc	Lafarge Africa Plc
Avg. Inventory=	Avg. Inventory=
$\frac{₦59280 + ₦62259}{2}$ =₦60770	$\frac{₦28921467 + ₦39057831}{2}$ =₦33989649
Inventory Turnover Period=	Inventory Turnover Period=
$\frac{₦60770}{₦170288}$ x 365 days =130days	$\frac{₦33989649}{₦123009569}$ x 365 days =101days

Interpretation: This shows that Lafarge Africa Plc has a more favorable inventory turnover period because it is shorter than that of Dangote Cement Plc.

VI). Receivables Turnover = $\frac{\text{Credit Sales}}{\text{Avg. Receivables}}$

Dangote Cement Plc	Lafarge Africa Plc
$\frac{₦618301}{₦11693}$=53times	$\frac{₦187043475}{₦13549338}$ =14times

Interpretation: This shows that Dangote Cement Plc has a more favorable receivable turnover ratio because it is higher than that of Lafarge Africa Plc, which indicates that Dangote Cement Plc has a higher proportion of customers that pay their debts on time.

VII). Payables Turnover = $\frac{\text{Credit Purchases}}{\text{Avg. payables}}$

Dangote Cement Plc	Lafarge Africa Plc

~~N~~170288 =1.4times ~~N~~123009569 =2times

~~N~~117808 ~~N~~59925616

Interpretation: This shows that Lafarge Africa Plc has a more favorable payables turnover ratio because it is higher than Dangote Cement Plc. .

VIII).Inventory Turnover = Cost of Sales / Avg. Inventory

Dangote Cement Plc	Lafarge Africa Plc
₦170288 / ₦60770 =3times	₦123009569 / ₦33989649 =4times

Interpretation: This shows that Dangote Cement Plc has a more favorable inventory turnover ratio because it is shorter than Lafarge Africa Plc. A shorter ratio is more desirable.

B). Efficiency Ratios:

I). Return on Capital Employed = PBIT / Capital Employed x 100

Dangote Cement Plc	Lafarge Africa Plc
₦39223 / ₦1437215 x 100 =3%	₦7408583 / ₦403821619 x 100 =2%

Interpretation: Dangote Cement Plc has a more favorable return on capital employed ratio because it is higher than Lafarge Africa Plc. It also indicates that Dangote Cement Plc uses its capital more efficiently.

II).Gross Profit Margin = Gross Profit / Sales x 100

Dangote Cement Plc	Lafarge Africa Plc
₦448013 / ₦618301 x 100 =72%	₦64033906 / ₦187043475 x 100 =34%

Interpretation: Dangote Cement Plc has a more favorable gross profit margin because it is higher than Lafarge Africa Plc.

III).Net Profit Margin = $\frac{\text{Net Profit}}{\text{Sales}}$ x 100

Dangote Cement Plc	Lafarge Africa Plc
₦481456 x 100 =78%	₦4141764 x 100 =2%
₦618301	₦187043475

Interpretation: Dangote Cement Plc has a more favorable net profit margin because it is higher than Lafarge Africa Plc.

IV).Expenses % = $\frac{\text{Individual Expenses}}{\text{Total Expense}}$ x 100

Dangote Cement Plc	Lafarge Africa Plc
Administrative Expenses=	Administrative Expenses=
₦27108 x 100 = 23%	₦23440838 x 100 =84%
₦116386	₦27795758
Selling and Distribution Expenses=	Selling and Distribution Expenses=
₦89278 x 100 =78%	₦3891305 x 100 =14%
₦116386	₦27795758

Interpretation: This shows that Dangote Cement Plc selling and distribution expenses is higher. For administrative expenses Lafarge Africa Plc Lafarge is higher. The lower is more favorable.

V). Expenses to Sales = $\frac{\text{Individual Expenses}}{\text{Sales}}$ x 100

Dangote Cement Plc	Lafarge Africa Plc
Administrative Expenses=	Administrative Expenses=
₦27108 x 100 =4%	₦23440838 x 100 =13%
₦618301	₦187043475

Selling and Distribution Expenses=	Selling and Distribution Expenses=
$\frac{₦89278}{₦618301}$ x 100 =14%	$\frac{₦3891305}{₦187043475}$ x 100 =2%

Interpretation: This shows that Lafarge Africa Plc 's selling and distribution expenses to sales is higher and for administrative expenses percentage to sales Dangote Cement Plc is higher . The lower is more favorable.

C).Investor's Ratio:

I).Earnings per Share = $\frac{\text{PAT – Preference Dividend}}{\text{No. of Ordinary Share}}$

Dangote Cement Plc	Lafarge Africa Plc
$\frac{₦481456000 – 0}{17040507406\text{shares}}$ =₦0.028/share	$\frac{₦4141764000 – 0}{8673428465\text{shares}}$ =₦0.48/shares

Interpretation: Lafarge Africa Plc has a more favorable EPS ratio because it is higher than Dangote Cement Plc's ratio.

II). Price Earnings Ratio = $\frac{MPS}{EPS}$

Dangote Cement Plc	Lafarge Africa Plc
NO MPS	NO MPS

III). Earnings Yield = $\frac{EPS}{MPS}$

Dangote Cement Plc	Lafarge Africa Plc
NO MPS	NO MPS

IV). Net Asset per Share = <u>Net Assets – Preference Capital</u>
No. of Ordinary Share

Dangote Cement Plc	Lafarge Africa Plc
<u>₦1293548000 – 0</u> = ₦0.077/share 17040507406shares	<u>₦25574372000 – 0</u> =₦38/share 8673428465shares

<u>Interpretation:</u> Lafarge Africa Plc has a more favorable Net Asset per share value because it is higher than Dangote Cement Plc

V). Dividend per Share = <u>Gross Dividend</u>
No. of Ordinary Share

Dangote Cement Plc	Lafarge Africa Plc
<u>₦178900000</u> =₦0.010/share 17040507406shares	<u>₦13010143000</u>=₦1.5/share 8673428465shares

<u>Interpretation:</u> This shows the value of dividend per share of Lafarge Africa Plc and Dangote Cement Plc . Lafarge Africa Plc has a better DPS

VI). Dividend Pay-Out Ratio = <u>DPS</u> x 100
EPS

Dangote Cement Plc	Lafarge Africa Plc
<u>₦0.010</u> x 100 = 36% ₦0.028	<u>₦1.5</u> x 100 = 313% ₦0.48

<u>Interpretation</u>: Lafarge Africa Plc dividend payout ratio indicates that the company is paying out more dividends than its earnings while for Dangote Cement Plc it is more favorable.

VII). Dividend Yield = <u>DPS</u> x 100
MPS

Dangote Cement Plc	Lafarge Africa Plc
NO MPS	NO MPS

VIII). Dividend Cover = $\frac{\text{PAT – Preference Dividend}}{\text{Total Dividend}}$

Dangote Cement Plc	Lafarge Africa Plc
$\frac{₦481456000 – 0}{₦178900000}$ = 2.7times	$\frac{₦4141764000 – 0}{₦13010143000}$ = 0.32times

Interpretation: The Dividend Cover for Lafarge Africa Plc considered not healthy while for Dangote Cement Plc it is considered healthy.

D). Stability Ratios:

I). Gearing Ratio = $\frac{\text{Non -Current Liabilities + Preference Capital}}{\text{Capital Employed}}$ x 100

Dangote Cement Plc	Lafarge Africa Plc
$\frac{₦143667 + 0}{₦1437215}$ x 100 = 10%	$\frac{₦148077894 + 0}{₦403821619}$ x 100 =37%

Interpretation: This shows that both companies are not highly geared. They are not considered to be of low risk but Dangote Cement Plc's gearing ratio is lower which is more favorable.

II). Fixed Interest Cover = $\frac{\text{PBIT}}{\text{Fixed Interest}}$

Dangote Cement Plc	Lafarge Africa Plc
$\frac{₦392223}{₦22565}$ =17times	$\frac{₦7408583}{₦43037415}$ = 0.2times

Interpretation: Dangote Cement Plc has a more favorable Fixed Interest Cover.

III).Total Debt to Shareholders Funds = $\frac{\text{Non- Current liabilities + Current Liabilities}}{\text{Equity}} \times 100$

Dangote Cement Plc	Lafarge Africa Plc
$\frac{\text{₦}143667 + \text{₦}284759}{\text{₦}1293548} \times 100 = 33\%$	$\frac{\text{₦}148077894 + \text{₦}173870677}{\text{₦}25574372} \times 100 = 126\%$

Interpretation: Dangote Cement Plc‘s debt to Shareholders Funds is lower which is more favorable. It indicates that a lower amount of financing is from debt.

SECTOR: Oil & Gas

COMPANIES: 1).Oando Plc

2).Conoil Plc

Ratios:

A). Liquidity Ratios

I). Current Ratio = $\frac{\text{Current Asset}}{\text{Current Liabilities}}$

Oando Plc	Conoil Plc
$\frac{\text{₦}164402215}{\text{₦}227409609} = 0.7:1$	$\frac{\text{₦}54908451}{\text{₦}41641699} = 1.3:1$

Interpretation: This shows that Conoil Plc is more capable to meet its current liability obligations than Oando Plc because it has a higher, even though it’s not an ideal current ratio.

II). Quick Asset = $\frac{\text{Current Asset – Inventory}}{\text{Current Liabilities}}$

Oando Plc	Conoil Plc
$\frac{\text{₦}164402215 – \text{₦}26514991}{\text{₦}227409609} = 0.6:1$	$\frac{\text{₦}54908451 – \text{₦}9141599}{\text{₦}41641699} = 1.1:1$

Interpretation: This shows that Conoil Plc is more capable to meet its current liability obligations by converting its liquid assets to cash than Oando Plc because it has a higher even though it's not an ideal quick asset ratio

III).Receivables Collection Period = $\frac{\text{Avg. Trade Receivables}}{\text{Credit Sales}}$ x 365 days

Oando Plc

Avg. Trade Receivables =

$\frac{₦135177498 + ₦1259580}{2}$ =₦68218539

Receivables Collection Period =

$\frac{₦68218539}{₦488518160}$ x 365 days =51days

Conoil Plc

Avg. Trade Receivables =

$\frac{₦30295096 + ₦25866860}{2}$ =₦28080978

Receivables Collection Period=

$\frac{₦28080978}{₦122213014}$ x 365 days =84days

Interpretation: This shows that Oando Plc has a more favorable receivables collection period because it has a shorter collection period than Conoil Plc.

IV).Payables Payment Period = $\frac{\text{Avg. Trade Payables}}{\text{Credit Purchases}}$ x 365 days

Oando Plc

Avg. Trade Payables=

$\frac{₦184967900 + ₦117389268}{2}$=₦151178584

Payables Payment Period=

$\frac{₦151178584}{₦488938074}$ x 365 days =113days

Conoil Plc

Avg. Trade Payables=

$\frac{₦35065872 + ₦36573231}{2}$ =₦35819552

Payables Payment Period=

$\frac{₦35819552}{₦109442111}$ x 365 days =119days

Interpretation: This shows that Conoil Plc has a more favorable payables collection period because it is longer than that of Oando Plc.

V). Inventory Turnover Period= $\frac{\text{Avg. Inventory}}{\text{Cost of Sales}}$ x 365 days

Oando Plc	Conoil Plc
Avg. Inventory= ₦ 26514911	Avg. Inventory= $\frac{₦9141599 + ₦5661155}{2}$ =₦7401377
Inventory Turnover Period= $\frac{₦26514911}{₦488938074}$ x 365 days =20days	Inventory Turnover Period= $\frac{₦7401377}{₦109442111}$ x 365 days =25days

Interpretation: This shows that Oando Plc has a more favorable inventory turnover period because it is shorter than that of Conoil Plc.

VI). Receivables Turnover = $\frac{\text{Credit Sales}}{\text{Avg. Receivables}}$

Oando Plc	Conoil Plc
$\frac{₦488518160}{₦68218539}$ =7times	$\frac{₦122213014}{₦28080978}$ =4times

Interpretation: This shows that Oando Plc has a more favorable receivable turnover ratio because it is higher than that of Conoil Plc, which indicates that Oando Plc has a higher proportion of customers that pay their debts on time.

VII). Payables Turnover = $\frac{\text{Credit Purchases}}{\text{Avg. payables}}$

Oando Plc	Conoil Plc
$\frac{₦488938074}{₦15117858}$ =32times	$\frac{₦109442111}{₦35819552}$ =3times

Interpretation: This shows that Oando Plc has a more favorable payables turnover ratio because it is higher than Conoil Plc.

VIII).Inventory Turnover = $\frac{\text{Cost of Sales}}{\text{Avg. Inventory}}$

Oando Plc	Conoil Plc
$\frac{₦488938074}{₦2651491}$=184times	$\frac{₦109442111}{₦7401377}$ =15times

Interpretation: This shows that Conoil Plc has a more favorable inventory turnover ratio because it is shorter than Oando Plc. A shorter ratio is more desirable.

B). Efficiency Ratios:

I). Return on Capital Employed = $\frac{\text{PBIT}}{\text{Capital Employed}}$ x 100

Oando Plc	Conoil Plc
$\frac{₦17695310}{₦130756235}$ x 100 =14%	$\frac{₦2566765}{₦19255547}$ x 100 =13%

Interpretation: Oando Plc has a more favorable return on capital employed ratio because it is higher than Conoil Plc. It also indicates that Oando Plc uses its capital more efficiently.

II).Gross Profit Margin = $\frac{\text{Gross Profit}}{\text{Sales}}$ x 100

Oando Plc	Conoil Plc
$\frac{₦419914}{₦488518160}$ x 100 =0.1%	$\frac{₦12770902}{₦122213014}$ x 100 =10%

Interpretation: Conoil Plc has a more favorable gross profit margin because it is higher than Oando Plc.

III).Net Profit Margin = $\frac{\text{Net Profit}}{\text{Sales}}$ x 100

Oando Plc	Conoil Plc
$\frac{₦18321877}{₦488518160}$ x 100 =4%	$\frac{₦1796042}{₦122213014}$ x 100 =1%

Interpretations: Oando Plc has a more favorable net profit margin because it is higher than F Conoil Plc.

IV).Expenses % = $\frac{\text{Individual Expenses}}{\text{Total Expense}}$ x 100

Oando Plc	Conoil Plc
Only Administrative Expenses	Distribution Expenses= $\frac{₦2571260}{₦8809784}$ x 100 =29% Administrative Expense= $\frac{₦6238524}{₦8809784}$ x 100 =71%

Interpretations: This shows that Conoil Plc Distribution expenses percentage is lower while its administrative expenses ‘s percentage is higher.

V). Expenses to Sales = Individual Expenses x 100

Sales

Oando Plc	Conoil Plc
Administrative Expense=	Administrative Expense=
₦10939966 x 100 =2%	₦6238524 x 100 =5%
₦488518160	₦122213014
	Distribution Expenses=
	₦2571260 x 100 =2%
	₦122213014

Interpretation: This shows that Conoil Plc and Distribution expenses to sales and administrative expenses percentage to sales is low. Oando Plc ‘s administrative Expense percentage to sales is also low.

C). Investor’s Ratios:

I).Earnings per Share = PAT – Preference Dividend

No. of Ordinary Share

Oando Plc	Conoil Plc
₦18321877 – 0 =₦1.5/share	N1796042000 – 0= ₦2.59/share
12431412shares	693952117shares

Interpretation: Conoil Plc has a more favorable EPS ratio because it is higher than Oando Plc ‘s ratio.

II). Price Earnings Ratio = MPS

EPS

Oando Plc	Conoil Plc

NO MPS | NO MPS

III). Earnings Yield = $\frac{EPS}{MPS}$

Oando Plc	Conoil Plc
NO MPS	NO MPS

IV). Net Asset per Share = $\frac{\text{Net Assets – Preference Capital}}{\text{No. of Ordinary Share}}$

Oando Plc	Conoil Plc
$\frac{₦60899568 – 0}{12431412shares}$ = ₦4.9/share	$\frac{₦18301074 – 0}{693952117shares}$ = ₦0.026

Interpretation: Oando Plc has a more favorable Net Asset per share value because it is higher than Conoil Plc's value.

V). Dividend per Share = $\frac{\text{Gross Dividend}}{\text{No. of Ordinary Share}}$

Oando Plc	Conoil Plc
No Dividend	$\frac{₦1387904000}{693952117shares}$ =₦2

Interpretation: This shows the value of dividend per share of Conoil Plc

VI). Dividend Pay-Out Ratio = $\frac{DPS}{EPS}$ x 100

Oando Plc	Conoil Plc
No Dividend	$\frac{₦2}{₦2.59}$ x 100 =77%

Interpretation: Conoil Plc dividend payout ratio indicates that the company is not paying out more dividends than its earnings, since it is not above 100%.

VII). Dividend Yield = DPS x 100

MPS

Oando Plc	Conoil Plc
NO MPS	NO MPS

VIII). Dividend Cover = $\frac{\text{PAT – Preference Dividend}}{\text{Total Dividend}}$

Oando Plc	Conoil Plc
	$\frac{₦1796042000 - 0}{₦1387904000}$ =1.3times

Interpretation: The Dividend Cover for Conoil Plc is considered not healthy.

D). Stability Ratios:

I). Gearing Ratio = $\frac{\text{Non -Current Liabilities + Preference Capital}}{\text{Capital Employed}}$ x 100

Oando Plc	Conoil Plc
$\frac{₦69856667 + 0}{₦130756235}$ x 100 =53%	$\frac{₦954473 + 0}{₦19255547}$ x 100 =5%

Interpretation: This shows that Oando Plc is highly geared, while Conoil Plc is not.

II). Fixed Interest Cover = $\frac{\text{PBIT}}{\text{Fixed Interest}}$

Oando Plc	Conoil Plc
₦17695310 =1times	₦2566765 =2times
₦17582406	₦1508064

Interpretation: Oando Plc has a low Fixed Interest Cover, this shows that the company is not generating enough revenue to satisfy interest expenses while Conoil Plc has a higher fixed interest cover.

III).Total Debt to Shareholders Funds = Non- Current liabilities + Current Liabilities x 100
Equity

Oando Plc	Conoil Plc
₦69856667 + ₦227409609 x 100 =488%	₦954473 + ₦41641699 x 100 = 233%
₦60899568	₦18301074

Interpretations: Conoil Plc's debt to Shareholders Funds is lower which is more favorable. It indicates that a lower amount of financing is from debt.

SECTOR: Technology & Telecommunication

COMPANIES: 1).Chams.

2). NCR Plc.

Ratios:

A). Liquidity Ratios

I). Current Ratio = Current Asset
Current Liabilities

Chams	NCR Plc
₦607801 =0.4:1	₦8696492 =1.3:1
₦1478750	₦6459424

Interpretations: This shows that NCR Plc is more capable to meet its current liability obligations than Chams because it has a higher, even though it's not an ideal current ratio.

II). Quick Asset = Current Asset – Inventory / Current Liabilities

Chams	NCR Plc
₦607801 – ₦67648 =0.4:1	₦8696492 – ₦1583496=1.1:1
₦1478750	₦6459424

Interpretations: Interpretations: This shows that NCR Plc is more capable to meet its current liability obligations by converting its liquid assets to cash than Chams because it has a higher even though it's not an ideal quick asset ratio.

III).Receivables Collection Period = Avg. Trade Receivables / Credit Sales x 365 days

Chams	NCR Plc
Avg. Trade Receivables	Avg. Trade Receivables=
₦510446 + ₦760158 =₦635302	₦2040103 + ₦1651816 = ₦1845960
2	2
Receivables Collection Period	Receivables Collection Period
₦635302 x 365 days =397days	₦1845960 x 365 days =102days
₦584392	₦6621647

Interpretations: This shows that Chams has a more favorable receivables collection period because it has a shorter collection period than NCR Plc.

IV).Payables Payment Period = $\frac{\text{Avg. Trade Payables}}{\text{Credit Purchases}}$ x 365 days

Chams	NCR Plc
Avg. Trade Payables	Avg. Trade Payables=
$\frac{₦1246204 + ₦2094768}{2}$ =₦1670486	$\frac{₦4862635 + ₦2423567}{2}$ = ₦3643101
Payables Payment Period=	Payables Payment Period=
$\frac{₦1670486}{₦346230}$ x 365 days =1761days	$\frac{₦3643101}{₦5767871}$ x 365 days=231days

Interpretations: This shows that Chams has a more favorable payables collection period because it is longer than that of NCR Plc.

V). Inventory Turnover Period= $\frac{\text{Avg. Inventory}}{\text{Credit Purchases}}$ x 365 days

Chams	NCR Plc
Avg. Inventory=	Avg. Inventory=
$\frac{₦67648 + ₦86992}{2}$ N77320	$\frac{₦1583496 + ₦1404813}{2}$ =₦1494155
Inventory Turnover Period=	Inventory Turnover Period=
$\frac{₦77320}{₦346230}$ x 365 days =82days	$\frac{₦1494155}{₦5767871}$ x 365 days =95days

Interpretation: This shows Chams has a more favorable inventory turnover period it has a shorter turnover period.

VI). Receivables Turnover = $\frac{\text{Credit Sales}}{\text{Avg. Receivables}}$

Chams	NCR Plc
$\frac{₦584392}{₦635302}$ =0.9times	$\frac{₦6621647}{₦1845960}$ =3.6times

Interpretations: This shows that NCR Plc has a more favorable receivable turnover ratio because it is higher than that of Chams, which indicates that NCR Plc has a higher proportion of customers that pay their debts on time.

.

VII). Payables Turnover = Credit Purchases / Avg. payables

Chams	NCR Plc
₦346230 / ₦1670486 =0.2times	₦5767871 / ₦3643101 =1.6times

Interpretations: This shows that NCR Plc has a more favorable payables turnover ratio because it is higher than Chams.

VIII).Inventory Turnover = Cost of Sales / Avg. Inventory

Chams	NCR Plc
₦346230 / ₦77320 =4times	₦5767871 / ₦1494155 =3.9times

Interpretations: This shows that Chams has a more favorable inventory turnover ratio because it has a shorter period.

B). Efficiency Ratios:

I). Return on Capital Employed = PBIT / Capital Employed x 100

Chams	NCR Plc

$\frac{₦269440}{₦3727899}$ x 100=7%	$\frac{₦66907}{₦6621647}$ x 100 = 1%

Interpretations: Chams has a more favorable return on capital employed ratio because it is higher. It also indicates that Chams uses its capital more efficiently.

II).Gross Profit Margin = $\frac{\text{Gross Profit}}{\text{Sales}}$ x 100

Chams	NCR Plc
$\frac{₦238162}{₦584392}$ x 100 =41%	$\frac{₦853776}{~~6621647~~}$ x 100=13%

Interpretations: Chams has a more favorable gross profit margin because it is higher.

III).Net Profit Margin = $\frac{\text{Net Profit}}{\text{Sales}}$ x 100

Chams	NCR Plc
$\frac{₦385796}{₦584392}$ x 100 =66%	$\frac{₦25907}{₦6621647}$ x 100 =0.3%

Interpretations: Chams has a more favorable net profit margin because it is higher .

C). Investor's Ratios:

I).Earnings per Share = $\frac{\text{PAT – Preference Dividend}}{\text{No. of Ordinary Share}}$

Interpretations :Conoil Plc has a more favorable EPS ratio because it is higher than Oando Plc 's ratio.

IV). Net Asset per Share = $\frac{\text{Net Assets – Preference Capital}}{\text{No. of Ordinary Share}}$

Chams	NCR Plc

₦3727899 - 0 =₦0.8/share	₦457577 – 0 = ₦8.5/share
4696060000shares	54000000shares

Interpretations: NCR Plc has a more favorable Net Asset per share value because it is higher.

V). Dividend per Share = Gross Dividend / No. of Ordinary Share

Chams	NCR Plc
₦21464 / 4696060000shares =₦0.003/share	NO dividend

Interpretations: This shows the value of dividend per share of Chams.

VIII). Dividend Cover = PAT – Preference Dividend / Total Dividend

Chams	NCR Plc
₦385796 / ₦21464 =18times	NO dividend

Interpretations: The Dividend Cover for Chams is considered healthy.

D). Stability Ratios:

I). Gearing Ratio = Non -Current Liabilities + Preference Capital / Capital Employed x 100

Chams	NCR Plc
No NCl	₦2842590 / ₦6621647 x 100 = 43%

Interpretations: This shows that NCR Plc is not highly geared

II). Fixed Interest Cover = PBIT

Fixed Interest

Chams	NCR Plc
No Fixed Interest	No Fixed Interest

III).Total Debt to Shareholders Funds = $\frac{\text{Non- Current liabilities + Current Liabilities}}{\text{Equity}}$ x 100

Chams	NCR Plc
$\frac{₦1478060}{₦3727899}$ x 100 =40%	$\frac{₦2842590 + ₦1583496}{₦457577}$= 968%

Interpretations: Chams's debt to Shareholders Funds is lower which is more favorable. It indicates that a lower amount of financing is from debt.