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TITLE OF TERM PAPER: ACCOUNTING RATIOS

NAMES OF COMPANIES ANALYSED

1. JULIUS BERGER
2. GREIF
3. GLAXOSMITHKLINE
4. FIDSON HEALTH CARE PLC
5. CAPITAL HOTELS
6. TRANSNATIONAL CORPORATION OF NIGERIA
7. PORTLAND PAINTS
8. CAP PLC
9. MOBIL OIL
10. FORTE OIL
11. NESTLE PLC
12. DANGOTE SUGAR
13. MTN GROUP LIMITED
14. OMATEK VENTURES
15. ZENITH BANK PLC
16. ACCESS BANK PLC

INDUSTRIAL

SHORT TERM SOLVENCY & LIQUIDITY RATIO

	JULIUS BERGER	**GREIF**	
1. Current ratio/ working capital ratio: Current assets / Current liabilities	125,039,446 / 73,196,234 =1.71: 1	377,300,000 / 376,896,000 =1.00 :1	Both companies do not have the ability pay their future bil on time.
2. Quick asset/ acid test ratio: Current assets – Inventory / Current liabilities	(125,039,446-11,304,296)÷2 / 73.196 =1.55:1	(377,300,000 – 63,874,000)÷2 / 376,896,000 =0.83:1	Only Julius Berger has adequate amou of Liquid assets to settle it's Current liabilities. Grief do not have enough.
3. Receivables collection period: Average trade receivables x 12 / Credit sales months	(65,128,223+70,689,703) ÷ 2 / 170,326, 746 =0.39 x 12= 4.78 months	(168,938,000 + 236,670,000) ÷2 / 534,611,000 =0.38 x 12 = 4.56 months	It will take both companies an average number of months to collect payments from the trade recievables.
4. Payables payments period: Average trade payables x 12 months / Credit purchases/Cost of Goods	(45,841,795+40,051,985) ÷ 2 / 132,254, 711 = 0.32 x 12 = 3.9 months	(376,896,000 + 376,265,000) ÷2 / 649,287,000 0.58x 12=6.96 months	The trade payables of Grief plc will remain unpaid for a average number of months which is better compared to Julius Berger who pays amount owing in 4 months.

5. Inventory turnover period: Average inventory x 12 months Cost of sales	(11,304,296+9,208,956) ÷2 132,254,711 =0.08 x 52= 4.16 weeks	(63,874,000 + 182,126,000) ÷2 649,287,000 =0.19x 52= 9.88 weeks	Inventories of Juliu berger will remain stores for an averag of 1 month before being sold while th of grief plc will remain in stores fo 2 months average.
6. Receivables turnover: Credit sales Average trade receivables	170,326, 746 67,908,963 =2.51	534,611,000 202,804,000 =2.64	Both companies wi receive settlements from customers fo up to 3 times withi an accounting period.
7. Payables turnover: Credit purchases Average trade payables	132,254, 711 42,946,890 =3.08	649,287,000 376,580,500 = 1. 72	Grief is to settle payables for an average of 2 times an accounting peri while Julius berge is to settle its payables 3 times i the accounting period.
8. Inventory turnover: Cost of sales Average inventory	132,254,711 10,256,626 =12.90	649,287,000 123,000,000 =5.28	Julius berger will b able to turn it's inventory to sales for an average of 1 times in an accounting period while Grief plc wi be able to convert

			inventory to sales 5 times.

EFFICIENCY/ PROFITABILITY RATIO

9. Return on capital employed(ROCE): Profit(return) / Capital employed	12, 787,882 / 268,060,387 -73,196,234 =0.66	245,229,000 / 475,731,000-376,896,000 =2.48	This shows that Julius berger will earn a return of 66kobo for every 1 naira invested, while Grief will earn a return of 2.48 naira for every 1 naira invested. Therefore Grief is at an advantage.
10. Gross profit percentage/margin: Gross profit x 100 / Sales	38,072,035 x 100 / 170,326,746 =22.35%	(114,676,000) x 100 / 534,611,000 = (21.45)%	
11. Net profit percentage/margin: Net profit x 100 / Sales	4,641,627 x 100 / 170,326,746 =2.7%	262,589,000 x 100 / 534,611,000 =49.11%	
12. Expenses percentage: Individual expenses x 100 / Total expenses	Marketing expenses: 78,012 x 100 / 29,964,493 =0.26% Administrative expenses: 20,756,369 x 100	Selling and marketing cost: 8250 x 100 / 176,036 =4.69% General administrative expenses:	This ratio shows the relative weight of each item of expense in relation to total expenses.

	29,964,493 = 69.27% Impairment loss on trade and tax receivables: $\frac{4,449,772}{29,964,493} \times 100$ =14.85% Finance cost: $\frac{5,464,539}{29,964,493} \times 100$ =18.24% Foreign exchange acquisition loss: $\frac{91,215}{29,964,493} \times 100$ =0.30% Income tax expense: $\frac{1,989,040}{29,964,493} \times 100$ =6.64% Other gains and losses: $\frac{1,585,318}{29,964,493} \times 100$ =5.29%	$\frac{150,426}{176,036} \times 100$ =85.45% Tax expense: $\frac{17,360}{176,036} \times 100$ =9.86%	

13. Expenses to sales: Individual expenses x 100 Sales	Marketing expenses: 78,012 x 100 170,326,746 =0.05% Administrative expenses: 20,756,369 x 100 170,326,746 = 12.19% Impairment loss on trade and tax receivables: 4,449,772 x 100 170,326,746 =2.61% Finance cost: 5,464,539 x 100 170,326,746 =3.21% Foreign exchange acquisition loss: 91,215 x 100 170,326,746 =0.05% Income tax expense: 1,989,040 x 100 170,326,746 =1.17%	Selling and marketing cost: 8250 x 100 534,611 =1.54% General administrative expenses: 150,426 x 100 534,611 =28.14% Tax expense: 17,360 x 100 534,611 =3.25%	If ratio increases in respect of an expense, it has caused a deterioration in profit.

	Other gains and losses: 1,585,318 x 100 170,326,746 =0.93%		

INVESTORS/SHAREHOLDERS RATIOS

14. Earnings per share (EPS): Profit after tax- Preference dividend Number of ordinary shares issued	3.63naira	262589 – 0 42640 =6.16 naira	
15. Price earnings ratio(P/E ratio):MPS EPS Where MPS is market price per share	0.50 3.63 = 13 kobo	9.1 6.16 = 1.48	
16. Earnings yield:EPS MPS	3.63 0.50 = 7.26 naira	6.16 9.1 = 0.68	
17. Net assets per share: Net assets – Preference share capital Number of ordinary shares in issue	12.66	98835 – 0 42640 = 2.32 naira	

18. Dividend per share (DPS): Gross dividend Number of ordinary shares	2		
19. Dividend payout ratio (DPR): DPS x 100 EPS	2 x 100 3.63 =55.10%		
20. Dividend yield: DPS x 100 MPS	2 x 100 0.50 =400%		
21. Dividend cover: EPS DPS	3.63 2 =1.82		

LONG TERM SOLVENCY & STABILITY RATIO

22. Gearing ratio: Debt Equity	143,020,941 16,710,922 =8.55	98,431 98,985 =0.99	Julius Berger is highly geared compared to Greif plc which is lowly geared.
23. Fixed interest cover: Profit before interest & Tax Fixed interest	12, 787,882 5,464,539 =2.34	253,597	
24. Total debt for shareholders funds: Non-current liabilities + Current liabilities Equity/Shareholders funds	251,349,465 16, 710,922 =15.04	376,896 98,835 =3.81	Julius berger is at a lower risk compared to Greif Plc

HEALTH

SHORT TERM SOLVENCY & LIQUIDITY RATIO

	GLAXOSMITHKLINE	FIDSON HEALTH CARE PLC	
1. Current ratio/ working capital ratio	13,338,313 6,941,940 =1.92 :1	7,575,483 10,535,885 = 0.72:1	Both companies have low current ratios and may be unable make future payments on time.
2. Quick asset/ acid test ratio	13,338,313-3,938,707 6,941,940 =1.35: 1	(7,575,483-2,875,133) 10,535,885 = 0.45:1	Fidson plc has a low amount of cash and other assets that can be easily converted to cash that means that they don't have the capacity to meet current liabilities. However, Glaxosmithkline has the capacity to meet its current liabilities.
3. Receivables collection period	(5,740,325+6,811,164) ÷2 18,411,475 =0.34 x 12= 4.08 months	Trade receivables= (3,803,982+2,502,642) ÷2 16,229,903 = 2.07 months	It will take Glaxosmithkline 4 months to collect money from customers who purchased goods on credit while it will take Fidson 2 months.
4. Payables payments	(6,434,732+9,120,596) ÷2	= 369,929.5 9,910,219	The trade payables of Glaxosmithkline will

period	11,651,867 0.67 x 12= 8.01 months	= 0.04 x 52= 2 weeks	remain unpaid for 8 months which is better than Fidson whose payment due date is shorter as it takes 2 weeks .
5. Inventory turnover period	(3,938,707+3,368,426) ÷2 11,654,697 =0.31 x 12= 3.8 months	Average inventory= (2,875,133+1,756,629) ÷2 9,910,219 =0.23 x 12 = 2.8 months	This is the average number of days inventory remain in the stores before being sold. Fidson's inventory will remain in unsold for 3 months which is better than Glaxosmithkilne's inventory which will remain unsold for up to 4 months.
6. Receivables turnover	18,411,475 6,275,744.5= 2.93 times	16,229,903 3,153,312 = 5.15 times	Fidson will receive settlement from their receivables 5 times in one period which is better than Glaxosmithkline which will receive settlement of debt from customers only 3 times
7. Payables turnover	11,651,867 7,777,664 =1.50	9,910,219 3,659,929.5 = 2.71	Glaxosmithkline will make payments to it's suppliers 2 times in this accounting period in settlement of the debt it

			owes. This turnover is better than Fidson who will make payments to suppliers for, debt settlements, 3 times in 2018.
8. Inventory turnover	11,654,697 3,653,566.5 =3.19	9,910,219 2,315,881 =4.28	Fidson will be able to turn it's inventory to sales more times than Glaxosmithline. Fidson is at an advantage as they will realize higher profits.

EFFICIENCY/ PROFITABILITY RATIO

9. Return on capital employed(ROCE):	1,160,824 15,700,216-6,941,940 =0.13	Capital employed=(20,483,325-10,535,885) = 160,867/9,947,440 = 0.02	Glaxosmithkline is a more profitable business than Fidson.
10. Gross profit percentage/margin	6,756,778 x 100 18,411,475 =36.70%	=(6,319,684/16,229,903)*100% =38.9%	This shows that Fidson Plc will earn a profit of about 38.9% and Glaxosmithkline 36.7% for every ₦1 revenue after deducting only cost of sales.
11. Net profit percentage/mar	618,389 x 100 18,411,475	= (-97,447/16,229,903)*100% = -0.6%	This shows that Fidson Plc will

gin:	=3.36%		earn a profit less than a kobo and Glaxosmithkline 3.36% for every ₦1 sales revenue after taking into account all incomes and expenses.
Expenses percentage	Selling and distribution cost: 3,096,566 x 100 5,883,485 52.63% Administrative expenses: 2,244,484 x 100 5,883,485 =38.15% Income tax expense: 542,435 x 100 5,883,485 =9.22%	For Admin Expenses: 2,614,354 x 100 6,703,000 = 16.1% For Selling and distribution expenses: 1,905,330 x 100 6,703,000 =28.4% For finance costs: 1,925,002 x 100 6,703,000 =28.7% For income tax: 258,314 x 100 6,703,000 =3.9%	This ratio shows the relative weight of each item of expense in relation to total expenses.

Expenses to sales	Selling and distribution cost: 3,096,566 x 100 18,411,475 =16.82% Administrative expenses: 2,244,484 x 100 18,411,475 =12.19% Income tax expense: 542,435 x 100 18,411,475 =2.93%	For Admin expenses: 2,614,354 x 100 16,229,903 =16.1% For Selling and distribution expenses: 1,905,330 x 100 16,229,903 =11.7% For Finance costs: 1,925,002 x 100 16,229,903 =11.9% For income tax: 258,314 x 100 16,229,903 =1.6%	If ratio increases in respect of an expense, it has caused a deterioration in profit.

INVESTORS/SHAREHOLDERS RATIOS

Earnings per share (EPS):	0.52	(0.06)	
Price earnings ratio(P/E ratio):	0.01 0.52 = 0	= 3.5 (0.06) = (58.3)	This shows that the capital value of both businesses is 0 times higher than its current level of earnings.
Earnings yield	0.52 0.01 =52	= (0.06) 3.5 = (0.01)	Glaxosmithkline having an earnings yield of about 52 naira which means that a returns of about 52

			naira is due on every investment of the ordinary shareholders based on current period performance while Fidson plc will have (0.01) returns.
Net assets per share	15,700,216 – 0 597,939 = 26.26 naira	20,483,325-13,329,544 900,000,000 =7.9	
Dividend per share (DPS):	=167,000 597,939 =0.28	135,000,000 900,000,000 = 0.15	An ordinary shareholder in Fidson will receive a dividend of 0.15 on a unit of its shares while an ordinary shareholder in Glaxosmithkline will receive a dividend of 0.28
Dividend payout ratio (DPR):	=0.28 x 100 0.01 = 0.01%	= 0.15 (0.06) = (-250)	
Dividend yield	= 0.28 x 100 0.01 = 28%	= (0.15/3.5)*100% = 4.3%	
Dividend cover	52 / 0.28 = 185.71 times	=(97,447) 135,000,000 = (7.2)times	

LONG TERM SOLVENCY & STABILITY RATIO

Gearing ratio	7,049,025 8,651,191 = 0.81	2,793,659 71,537,81 = 0.39	
Fixed interest cover	1,160,824 =	160,867 11,222 = 14.33 times	
Total debt for shareholders funds	7,049,025 8,832,782 =0.80	2,793,659 +10,535,885 7,153,781 = 1.86	

CONSUMER SERVICE

SHORT TERM SOLVENCY & LIQUIDITY RATIO

	CAPITAL HOTELS	**TRANSCORP**	
1. Current ratio/ working capital ratio	5,698,295 2,630,478 =2.17: 1	28,107,835 15,375,553 = 1.83 :1	
2. Quick asset/ acid test ratio	5,698,295-141,990 2,630,478 =2.11: 1	28,107,835-0 15,375,553 =1.83: 1	
3. Receivables collection period	(1,620,077+1,615,857)÷2 5,977,436 =0.27 x 12= 3months	(27,938,751+22,672,103)÷2 8,899,967 =2.84x12 =34 months	
4. Payables payments period	(2,378,096+1,935,123)÷2 4,869,732 =0.44 x 12= 5 months	0 (3,054,475+5,577,299)÷2 =0	
5. Inventory turnover period	(141,990+251,229)÷2 4,869,732 0.04 x 52= 2 weeks	----	
6. Receivables	5,977,436	8,899,967	

turnover	1,617,967 =3.69	25,305,427 = 0.35	
7. Payables turnover	4,869,732 2,156,609.5 =2.26	0	
8. Inventory turnover	4,869,732 196,609.5 =24.7	----	

EFFICIENCY/ PROFITABILITY RATIO

9. Return on capital employed(ROCE	437,010 10,076,819-2,630,478 =0.06	7,575,430 66,438,734-15,375,553 =0.15	
10. Gross profit percentage/margin	1,107,704 x 100 5,977,436 =18.53%	8,899,967 x 100 8,899,967 = 100%	
11. Net profit percentage/margin	379,946 x 100 5,977,436 =6.36%	4,610,999 x 100 8,899,967 =51.81%	
12. Expenses percentage	Administrative expenses: 721,477 x 100 849,312 =84.9% Income tax expense: 127,835 x 100 849,312 15.05%	Administrative expenses: 3,364,982 x 100 7,914,977 =42.51% Finance cost: 3,455,477 x 100 7,914,977 =43.66% Income tax expense: 1,094,518 x 100 7,914,977 =13.83%	

13. Expenses to sales	Administrative expenses: 721,477 x 100 5,977,436 =12.07% Income tax expense: 127,835 x 100 5,977,436 =2.14%	Administrative expenses: 3,364,982 x 100 8,899,967 =37.81% Finance cost: 3,455,477 x 100 8,899,967 =38.83% Income tax expense: 1,094,518 x 100 8,899,967 =12.30%	

INVESTORS/SHAREHOLDERS RATIOS

14. Earnings per share (EPS):	379,946 1,548,780 = 25 kobo	4,610,999 40,647,991 =11 kobo	
15. Price earnings ratio(P/E ratio):	0.50 0.25 = 2 Naira	0.50 0.11 =4.55 Naira	
16. Earnings yield	0.25 x 100 0.50 =50%	0.11 x 100 0.50 =22%	
17. Net assets per share	6.97 naira	52,145,150 40,647,991 = 1.28	
18. Dividend per share (DPS):	NIL		
19. Dividend payout ratio (DPR)	0 x 100 0.25 =0		
20. Dividend yield	0 x 100		

	0.50 = 0		
21. Dividend cover	NIL		

LONG TERM SOLVENCY & STABILITY RATIO

22. Gearing ratio	1,029,358 6,416,983 = 0.16	28,262,215 66,082,885 = 0.43	
23. Fixed interest cover	507,781	7,575,430 3,455,477= 2.19	
24. Total debt for shareholders funds	3.659,836 6,416,983 =0.57	28,618,064 37,820,670 = 0. 76	

BASIC MATERIALS

SHORT TERM SOLVENCY & LIQUIDITY RATIO

	PORTLAND PAINTS	**CAP PLC**	
1. Current ratio/ working capital ratio	1,718,570,000 700,439,000 =2.45	5,545,093 3,375,254 = 1.64	
2. Quick asset/ acid test ratio	1,718,570,000 – 728,047,000 700,439 = 1.41	5,545,093-884,115 3,375,254 =1.38	
3. Receivables collection period	(476,180 + 406,813) ÷ 2 2,829,262 = 0.16x 365= 58.4 days	(172,488+110,700)÷2 7,764,534 =0.02 x 365= 7days	
4. Payables payments	(501,988 + 497,755) ÷ 2 1,753,972	(1,559,016+1,130,834)÷2 4,034,561	

period	=0.46 x 12= 5.57 months	0.33 x 12= 4 months	
5. Inventory turnover period	(728,047 + 900,430) ÷ 2 1,753,972 =0.46x 12 = 5.52 months	(884,115+1,187,405)÷2 4,034,561 =0.26x 12= 3.1 months	
6. Receivables turnover	2,829,262 441,496.5 =6.41	7,764,534 141,594 =54.84	
7. Payables turnover	1,753,972 499,871.5 =3.51	4,034,561 1,344,925= 3	
8. Inventory turnover	1,753,972 814,238.5 =2.15	4,034,561 1,035,760= 3.90	

EFFICIENCY/ PROFITABILITY RATIO

9. Return on capital employed(ROCE):	307,533 1,551,029 =0.20	2,885,201 2,935,992 =0.98	
10. Gross profit percentage/margin:	1,075,290 x 100 2,829,262 = 38%	3,729,773 x 100 7,764,534 =48.04%	
11. Net profit percentage/margin	206,693 x 100 2,829,262 = 7.31%	2,029,343 x 100 7,764,534 =26.14%	
12. Expenses percentage	Selling and distribution expenses: 264,619 x 100 948,237 =27.91% Administrative expenses:	Selling and distribution expenses: 356,737 x 100 2,089,716 = 17.07% Administration expenses: 1,149,872 x 100	

	551,883 x 100 948,237 =58.20% Impairment losses on financial assets: 19,994 x 100 948,237 =2.11% Finance cost: 10,901 x 100 948,237 =1.15% Tax expense: 100,840 x100 948,237 =10.63%	2,089,716 =55.03% Finance cost: 14,618 x 100 2,089,716 0.70% Income tax expense: 568,489 x 100 2,089,716 =27.20%	
13. Expenses to sales	Selling and distribution expenses: 264,619 x 100 2,829,262 =9.35% Administrative expenses: 551,883 x 100 2,829,262 =19.51%	Selling and distribution expenses: 356,737 x 100 7,764,534 =4.59% Administration expenses: 1,149,872 x 100 7,764,534 =14.81% Finance cost:	

	Impairment losses on financial assets: 19,994 x 100 2,829,262 =0.71% Finance cost: 10,901 x 100 2,829,262 =0.39% Tax expense: 100,840 x 100 2,829,262 =3.56%	14,618 x 100 7,764,534 =0.20% Income tax expense: 568,489 x 100 7,764,534 =7.32%	

INVESTORS/SHAREHOLDERS RATIOS

14. Earnings per share (EPS)		2,029,343 7,000,000 = 2.90 kobo	
15. Price earnings ratio(P/E ratio)		0.50 2.90 = 0.17 kobo	
16. Earnings yield		2.90 0.50 = 5.8	
17. Net assets per share			
18. Dividend per share (DPS		2,030,000,000 700,000,000 =2.9	
19. Dividend payout ratio (DPR)		2.9 x 100 2.90 = 100%	

20. Dividend yield		2.9 x 100 0.50 =	
21. Dividend cover		2.9 2.9 = 1	

LONG TERM SOLVENCY & STABILITY RATIO

22. Gearing ratio		127,053 2,808,939=0.04	
23. Fixed interest cover		2,285,201	
24. Total debt for shareholders funds		3,502,307 2,808,939 =1.25	

OIL AND GAS

SHORT TERM SOLVENCY & LIQUIDITY RATIO

	MOBIL OIL	FORTE OIL	
1. Current ratio/ working capital ratio	34,183,632 19,327,761 = 1.7: 1	49,591,082 39,438,641 = 1.26:1	
2. Quick asset/ acid test ratio	34,183,632- 17,918,599 19,327,761 = 0.84: 1	49,591,082 – 9,528,146 39,438,641 =1.02: 1	
3. Receivables collection period	(11,513,890+7,948,601)÷2 164,609,535 = 0.06 x 52= 3weeks	(28,611,871+33,731,717)÷2 134,706,306 =0.14 x 12 = 2 months	
4. Payables payments period	(8,212,101+19,543,153)÷2 148,015,916 =0.09 x 52= 5 weeks	(375,653+378,045)÷2 123,376,240 =0.0031 x 365 = 1 day	
5. Inventory	(17,918,599+7,948,601)÷2	(9,528,146+4,618,386)÷2	

turnover period	148,015,916 = 0.09 x 12= 1 month	123,376,240 = 0.06 x52 = 3 weeks	
6. Receivables turnover	164,609,535 9,731,245.5 =16.92	134,706,306 18,271,794 =7.38	
7. Payables turnover	148,015,916 13,877,627 =10.67	123,376,240 376,849 =327.39	
8. Inventory turnover	148,015,916 12,933,600 =11.44	123,376,240 7,073,266 =17.44	

EFFICIENCY/ PROFITABILITY RATIO

9. Return on capital employed(RO CE	13,242,367 70,660, 798-19,327, 761 =0.26	2,949,086 60,729,733-46,980,763 = 0.21	
10. Gross profit percentage/ma rgin	16,593,619 x100 164,609,535 =10.08%	11,330,066 x 100 134,706,306 =8.41%	
11. Net profit percentage/ma rgin	9,328,935 x 100 164,309 ,535 =5.68%	631,471 x 100 134,706,306 =0.46%	
12. Expenses percentage	Selling and distribution expenses: 6,924,989 x 100 16,383,147 =42.27% Administrative expenses: 5,024,634 x 100 16,383,147 =30.67% Other operating expense:	Distribution expenses: 2,245,688 x 100 13,739,442 =16.34% Administrative expenses: 7,995,101 x 100 13,739,442 =58.19% Finance cost: 3,101,580 x 100	

	26,368 x 100 16,383,147 =0.16% Finance costs: 40,632 x 100 16,383,147 =0.25% Income tax expense: 4,366,524 x 100 16,383,147 =26.65%	13,739,442 =22.57% Income tax expense: 397,073 x 100 13,739,442 =2.89%	
13. Expenses to sales	Selling and distribution expenses: 6,924,989 x 100 164,609,535 =4.21% Administrative expenses: 5,024,634 x 100 164,609,535 =3.05% Other operating expense: 26,368 x 100 164,609,535 =0.01% Finance costs: 40,632 x 100 164,609,535 =0.02% Income tax expense: 4,366,524 x 100 164,609,535 =2.65%	Distribution expenses: 2,245,688 x 100 134,706,306 =1.67% Administrative expenses: 7,995,101 x 100 134,706,306 = 5.94% Finance cost: 3,101,580 x 100 134,706,306 =2.3% Income tax expense: 397,073 x 100 134,706,306 = 0.29%	

INVESTORS/SHAREHOLDERS RATIOS

14. Earnings per share (EPS):		0.48	

15. Price earnings ratio(P/E ratio):		18.1 0.48 =37. 71	
16. Earnings yield		0.48 18.1 =0.03	
17. Net assets per share		60,729,733 – 0 1,310,628 = 46.34	
18. Dividend per share (DPS):			
19. Dividend payout ratio (DPR			
20. Dividend yield			
21. Dividend cover			

LONG TERM SOLVENCY & STABILITY RATIO

22. Gearing ratio	13,242,367 33,772,775 = 0.39	7,542,122 13,748,970 = 0.55	
23. Fixed interest cover	13,242,367 =	2,949,086 1,920,542 =1.54	
24. Total debt for shareholders funds	36,888,023 33,772,775 = 1.09	46,980,763 13,748,970 =3.42	

CONSUMER GOODS

SHORT TERM SOLVENCY & LIQUIDITY RATIO

	NESTLE PLC	DANGOTE SUGAR	
Current ratio/	82,734,317	144,937,739,000	Dangote

working capital ratio	92,117,501 = 0.77:1	66,033,588,000 = 2.2:1	sugars has an ideal ratio, it's current assets can adequately cover it's current liabilities. However, Nestle plc will be unable pay it's future bills on time.
Quick asset/ acid test ratio	82,734,317-23,124,020 92,117,501 =0.65:1	=(144,937,739,000-31,499,654,000) 66,033,588,000 = 1.72:1	The very liquid assets of Dangote sugar will be able to cover it's short term debts. Nestle plc does not have the adequate liquid assets to settle short term debts.
Receivables collection period	(42,175,062+31,430,450)÷2 266,274,621 =0.14 x 12= 1.7months	(91,025,731,000+70,895,546,000)÷2 146,549,176,000 = 0.55 x 12 = 7 months	Nestle plc will be able to collect

			payments from receivable on time in 2 months than Dangote sugar whose recievables remain unpaid for 7 months.
Payables payments period	(60,384,454+45,668,363)÷2 152,354,445 =0.35 x 12=4 months	(51,428,633,000+71,913,340,000)÷2 104,589,978,000 = 0.59 x 12= 7months	Dangote sugars are able to owe payables for an average of months while nestle plc is holds owes payables for an average of 4 months. The higher the better.
Inventory turnover period	(23,124,020+23,910,303)÷2 152,354,445 =0.15 x 12 =2 months	(31,499,654,000+44,779,483,000)÷2 104,589,978,000 =0.36 x 12 =4 months	Inventory of Nestle plc stay in the stores for an average of 2 months before they

			are sold which is better when compared Dangote sugar whose inventory stays in the stores for up to 4 months average.
Receivables turnover	266,274,621 36,802,756 =7.24times	146,549,176,000 80,960,638,500 = 1.81times	Nestle will receive settlement from recievables about times in an accounting period. Dangote sugars will receive settlements from recievables 2 times.
Payables turnover	152,354,445 53,026,408.5= 2.87 times	104,589,978,000 61,670,986,500 = 1.7times	
Inventory turnover	152,354,445 23,517,161.5 =6.48times	104,589,978,000 38,139,568,500 =2.74times	

EFFICIENCY/ PROFITABILITY RATIO

Return on capital employed(ROCE):	60,640, 731 162,334,422-92,117,501 =0.86		
Gross profit percentage/margin	113,920,176 x 100 266,274,621 =42.78%	41,959,198 x 100 146,549,176 =28.63%	
Net profit percentage/margin:	59,750,846 x 100 266,274,621 =22.44%	25,830,941 x 100 146,549,176 =17.63%	
Expenses percentage	Marketing and distribution expenses: 43,489,890 x 100 72,629,039 =59.88% Administration expenses; 9,789,555 x 100 55,886,219 =17.52% Finance cost: 2,606,774 x 100 55,886,219 =4.66% Income tax expense: 16, 742,820 x 100 55,886,219 =29.96%	Selling and distribution expenses: 969,000,000 x 100 19,098,909,000 =5.07% Administration expenses: 5,438,193,000 x 100 19,098,909,000 =28.47% Finance cost: 67,127,000 x 100 19,098,909,000 =0.35% Income tax expense: 12,624,589,000 x 100 19,098,909,000 = 66.10%	
Expenses to sales	Marketing and	Selling and distribution	

	distribution expenses: 43,489,890 x 100 266,274,621 =16.33% Administration expenses; 9,789,555 x 100 266,274,621 =3.68% Finance cost: 2,606,774 x 100 266,274,621 =0.98%	expenses: 969,000,000 x 100 146,549,176,000 =0.66 Administration expenses: 5,438,193,000 x 100 146,549,176,000 =3.71% Finance cost: 67,127,000 x 100 146,549,176,000 =0.05% Income tax expense: 12,624,589,000 x 100 146,549,176,000 = 8.61%	

INVESTORS/SHAREHOLDERS RATIOS

Earnings per share (EPS):	54.26 naira	2.15 naira	
Price earnings ratio(P/E ratio):	53.76 54.26 = 0.99	12.75 2.15 =5.93	
Earnings yield	54.26 53.76 = 1.01	2.15 12.5 =0.172	
Net assets per share	50,220,486 – 0 792,656,252 = 0.06		
Dividend per share (DPS):	0 792656252 =0 naira	132,000 12,000,000 =0.011	
Dividend payout ratio	0 x 100	1.10 x 100	

(DPR):	54.26 =0%	1.85 = 59.45%	
Dividend yield	0 x 100 53.76 =0%	1.10 x 100 12.75 =8.62%	
Dividend cover	54.26 0 =0 times	21,976,468-0 132000 =	

LONG TERM SOLVENCY & STABILITY RATIO

Gearing ratio	19,996,435 50220486 = 0.40		
Fixed interest cover	59750846		
Total debt for shareholders funds	19,996,435 +92,117,501 50,220,486 =2.23		

TELECOMS

SHORT TERM SOLVENCY & LIQUIDITY RATIO

	MTN GROUP LTD	OMATEK VENTURES	
Current ratio/ working capital ratio	548,000 2,865,000 =0.19 : 1	766000000 903000 = 0.11 :1	
Quick asset/ acid test ratio	548,000– 0 2,865,000 = 0.19 : 1	766000000-620000000 6903000000 =0.02 :1	
Receivables collection period	4,185,000 11,992,000 = 4.19 months	(108,000,000+109,000,000)÷2 18,000,000 = 0.03 x 52 = 1.43 weeks	
Payables payments period	267,500	3,897,000 5000000	

	0 x 12 mths = 0mths		
Inventory turnover period		(620,000,000+574,000,000)÷2 5000000 =	
Receivables turnover		18000000 108500000=0.16	
Payables turnover		5000000 5,345,500 =0.93	
Inventory turnover		5000000 597,000,000 =	

EFFICIENCY/ PROFITABILITY RATIO

Return on capital employed(ROCE):		(1,154,000) (4879000-6903000)= 0.57	
Gross profit percentage/margin		13,000,000 x 100 18,000,000 =	
Net profit percentage/margin:		(1161000) x 100 80000000 =(6.5)%	
Expenses percentage	Administrative expenses: 43000 x 100 966000 = 4.45% Finance Cost: 919,000 x 100 966,000 = 95.13%	Selling and distribution cost: 2,000,000 x 100 69,106,000 =2.9% Administration expenses: 59,000,000 x 100	

	Tax Expense: 4,000 x 100 966,000 = 0.41%	69,106,000 =85.38% Finance cost: 1,106,000 x 100 69,106,000 =1.6 Income tax expense: 7,000,000 x 100 69,106,000 =10.13%	
Expenses to sales	Administrative expenses: 43000 x 100 80,000 = 53.75% Finance Cost: x 100 80,000 = 95.13% Tax Expense: 4,000 x 100 80,000 = 5%	Selling and distribution cost: 2,000,000 x 100 180,000,000 =1.11% Administration expenses: 59,000,000 x 100 180,000,000 =32.78% Finance cost: 1,106,000 x 100 180,000,000 =0.61% Income tax expense: 7,000,000 x 100 180,000,000 3.89%	

INVESTORS/SHAREHOLDERS RATIOS

Earnings per share (EPS):	= 11,957 – 0 1,884,269,758 = ₦0	(1,161,000) 2941789472 = (3.94) naira	
Price earnings ratio(P/E ratio):	0	0.50 (3.94) = (0.13) times	
Earnings yield	0	(3.94) 0.50 = (7.88)	
Net assets per share	24356 – 0 1884269758 = ₦1.29	4,879,000 2,941,789,472 = 1.65	
Dividend per share (DPS):	0	1470895 2941789 = 0.5	
Dividend payout ratio (DPR):	0		
Dividend yield	0		
Dividend cover	0		

LONG TERM SOLVENCY & STABILITY RATIO

Gearing ratio		10843000 (5964000) = (1.81)	
Fixed interest cover		1042000 919000000 =	
Total debt for shareholders funds		10843000 (5964000) =	

FINANCIAL

SHORT TERM SOLVENCY & LIQUIDITY RATIO

	ZENITH BANK	**ACCESS BANK**	
1. Current ratio/ working capital ratio	4,995,445 / 4,280,413 =1.16:1	3,955,872,785 3,527,314,852 =1.12:1	
2. Quick asset/ acid test ratio	4,995,445 – 0 / 4,280,413 =1.16: 1	3,955,872,785—1,681,761,862 3,527,314,852 =0.64:1	

EFFICIENCY/ PROFITABILITY RATIO

3. Return on capital employed(ROCE	0.25	75,248,146 440,799,757 =0.17	
4. Gross profit percentage/margin	538,004 x 100 / 0 =0%		
5. Net profit percentage/margin	192,107 x 100 / 0 =0%		
6. Expenses percentage	Personnel expenses: 68,556 x 100 / 206,453 =33% Operating expenses: 137,894x 100 / 206,453 =67%		
7. Expenses to sales	Personnel expenses: 68,556 x 100 / 0 =0%		

	Operating expenses: 137,894 x 100 0 =0%		

INVESTORS/SHAREHOLDERS RATIOS

8. Earnings per share (EPS):	5.2 naira	73,596,295 28,927,972 =2.54 naira	
9. Price earnings ratio(P/E ratio):	18.65 5.27 =3.54 Naira	10.05 3.31 =3.03 naira	
10. Earnings yield	5.27 18.65 = 28 kobo	3.31 10.05 = 33 kobo	
11. Net assets per share	4,955445 – 0 15,698 =315.67	3,968,114,609 212,438,802 =18.68	
12. Dividend per share (DPS):	0 15,698 = 0		
13. Dividend payout ratio (DPR)	0 5.27 =0		
14. Dividend yield	0 x 100 18.65 = 0%		
15. Dividend cover	5.27 0 =0%		

LONG TERM SOLVENCY & STABILITY RATIO

16. Gearing ratio	4,280,413 675,032,000 = 0.06	251,251,383 440,799757	

		=0.56	
17. Fixed interest cover	192,107 0 =0	75,248,146 128,216,746 =0.58	
18. Total debt for shareholders funds	4,280,413 675,032,000 =0.06	3,535,185,212 440,799,757 =8.02	