0GIRI JOHN

17/SMS02/040

ACCOUNTING

0il and Gas Sector

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| Ratio Formulas | Oando | Mobil Oil |
| Current ratios=current assets/current liabilities | N’000  164,402,215/227,409,609= | N’000  34,183,632/19,327,761= |
| Quick assets=current assets-inventory/current liabilities | 164,402,215-26,514,991/227,409,609= | 34,183,632-17,918,599/19,327,761= |
| Receivables collection period=average trade receivable/credit sales × 365days | 135,177,498/679,465,339/×365days= | 11,513,890/164,609,535×365days= |
| Payables payment period=average trade payables/credit purchases × 365days | 39,392,034/583,191,386×365days= | 8,212,101/148,015,916×365days= |
| Inventory turnover period=average inventory/cost of sales × 365days | 26,514,991/583,191,386×365days= | 17,918,599/164,609,535×365days= |
| Receivables turnover=credit sales/average receivables | 679,465,339/135,177,498= | 164,609,535/11,513,890= |
| Payables turnover=credit purchases/average payables | 583,191,386/39,392,034= | 148,015,916/8,212,101= |
| Inventory turnover=cost of sales/average inventory | 679,465,339/26,514,991= | 148,015,916/17,918,599= |
| ROCE=Profit margin × asset turnover | 0.04%×109.31%= | 0.06%×845.55%= |
| Gross profit percentage=gross profit/sales of 100% | 96,273,953/679,465,339×100%= | 16,593,619/164,609,535×100%= |
| Net profit percentage=net profit/sales × 100% | 44,001,612/679,465,339×100%= | 13,242,367/164,609,535×100%= |
| Expenses percentage=individual expenses/total expenses × 100% |  |  |
| Expenses to sales=individual expenses/sales × 100% |  |  |
| INVESTORS RATIOS  Earnings per share=PAT-preference dividend/no. of ordinary shares issued=K(kobo) | 5,807,73/15,000,000=1.92k | 9,328,935/200,000=46.6 |
| Price earning ratio=market price per share(MPS)/earnings per share(EPS) | 2.50k/1.92k=1.92 | 1.75/46.6=0.04 |
| Earnings yield=EPS/MPS × 100% | 1.92k/2.50k×100%=0.768% | 46.6/1.75×100%=26.63 |
| Net asset per share=net asset-preference share capital/no. of ordinary share in issue | 236,366,708/15,000,000=15.8 | 34182369/200,000=170.9 |
| Dividend per share=gross dividend/no. of ordinary shares=x(naira) | 220,165.5/15,000,000=0.01 | 100,000/200,000=0.5 |
| Dividend payout ratio=DPS/EPS | 0.01/1.92=0.0192 | 0.5/46.6=0.01 |
| Dividend yield=DPS/MPS × 100% | 0.01/2.50×100%=0.025 | 0.5/1.75×100%=0.29 |
| Dividend cover=PAT-preference dividend/gross dividend=xtimes | 5,807,732/159,667=0.58 | 9,328,935/0.5= |
| LONG TERM SOLVENCY & STABILITY RATIO  Gearing ratio= fixed interest + loan + pref. share capital/ordinary share capital + reserves or debt/equity | 297,266,276/(60,899,568)= | 36,888,023/33,772,775= |
| Fixed interest cover=profit before interest & tax/fixed interest | 11,188,120/42,706,619= | 13,695,459/40,632= |
| Total debt to shareholder’s funds=noncurrent liabilities + current liabilities/equity or shareholders fund | 297,266,276/(60,899,568)= | 36,888,023/33,772,775= |
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Basic Material Sector

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| Ratio Formulas | Cap PLC | Portland Paints |
| Current ratios=current assets/current liabilities | N’000  5,545,093/3,375,254= | N’000  1,718,570/700,439= |
| Quick assets=current assets-inventory/current liabilities | 5,545,093-884,115/3,375,254= | 1,718,570-728,047/700,439= |
| Receivables collection period=average trade receivable/credit sales × 365days | 172,488/7,764,534×365days= | 476,180/2,829,262×365days= |
| Payables payment period=average trade payables/credit purchases × 365days | 1,559,016/4,034,561×365days= | 501,988/1,753,972×365days= |
| Inventory turnover period=average inventory/cost of sales × 365days | 884,115/4,034,561×365days= | 728,047/1,753,972×365days= |
| Receivables turnover=credit sales/average receivables | 7,764,534/172,488= | 2,829,262/476,180= |
| Payables turnover=credit purchases/average payables | 4,034,561/1,559,016= | 1,753,972/501,988= |
| Inventory turnover=cost of sales/average inventory | 4,034,561/884,115= | 1,753,972/728,047= |
| ROCE=Profit margin × asset turnover | 0.29%×22.18%= | 0.01%×7.13%= |
| Gross profit percentage=gross profit/sales × 100% | 3,729,973/7,764,534×100%= | 1,075,290/2,829,262×100%= |
| Net profit percentage=net profit/sales × 100% | 312,631/7,764,534×100%= | 898/2,829,262×100%= |
| Expenses percentage=individual expenses/total expenses × 100% |  |  |
| Expenses to sales=individual expenses/sales × 100% |  |  |
| INVESTORS RATIOS  Earnings per share=PAT-preference dividend/no. of ordinary shares issued=K(kobo) | 1,498,730/350,000=N4.3k | 206,693/500,00=0.4k |
| Price earning ratio=market price per share(MPS)/earnings per share(EPS) | 0.290k/4.3k=0.06 | 2.23k/0.4k=5.6 |
| Earnings yield=EPS/MPS × 100% | 4.3/0.290×100%=14.8 | 0.4/2.23×100%=0.2 |
| Net asset per share=net asset-preference share capital/no. of ordinary share in issue |  |  |
| Dividend per share=gross dividend/no. of ordinary shares=x(naira) | 700000/350000=0.5 | =0.5 |
| Dividend payout ratio=DPS/EPS | 0.5/4.3=0.1 | 0.5/0.4=1,25 |
| Dividend yield=DPS/MPS × 100% | 0.1/0.290=0.3 | 1.25/0.290=4.3 |
| Dividend cover=PAT-preference dividend/gross dividend=xtimes | 2597832/700000= | 5,807,732/159,667= |
| LONG TERM SOLVENCY & STABILITY RATIO  Gearing ratio= fixed interest + loan + pref. share capital/ordinary share capital + reserves or debt/equity | 3,502,307/2,808,939= | 714,487/1,536,981= |
| Fixed interest cover=profit before interest & tax/fixed interest | 2,597,832/14,618= | 5,807,732/159,667= |
| Total debt to shareholder’s funds=noncurrent liabilities + current liabilities/equity or shareholders fund | 3,502,307/2,808,939= | 714,487/1,536,981= |
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Telecommunication Sector

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| Ratio Formulas | Omatek | ETranzact International |
| Current ratios=current assets/current liabilities | N’000  766/6,903= | N’000  4,105,003/5,630,715= |
| Quick assets=current assets-inventory/current liabilities | 766-620/6,903= | 4,105,003-401,048/5,630,715= |
| Receivables collection period=average trade receivable/credit sales × 365days | 108/18×365days= | 1,075,093/18,621,653×365days= |
| Payables payment period=average trade payables/credit purchases × 365days | 5,918/5×365days= | 5,564,590/16,997,019×365days= |
| Inventory turnover period=average inventory/cost of sales × 365days | 620/5×365days= | 401,048/16,997,019×365days= |
| Receivables turnover=credit sales/average receivables | 18/108= | 18,621,653/1,075,093= |
| Payables turnover=credit purchases/average payables | 5/5,918= | 16,997,019/5,564,590= |
| Inventory turnover=cost of sales/average inventory | 5/620= | 16,997,019/401,048= |
| ROCE=Profit margin × asset turnover | 64.5%×0.01%= | 0.17%×8.87%= |
| Gross profit percentage=gross profit/sales of 100% | 13/18×100%= | 1,624,634/18,621,653×100%= |
| Net profit percentage=net profit/sales × 100% | 1,161/18×100%= | (3,587,447)/18,621,653×100%= |
| Expenses percentage=individual expenses/total expenses × 100% |  |  |
| Expenses to sales=individual expenses/sales × 100% |  |  |
| INVESTORS RATIOS  Earnings per share=PAT-preference dividend/no. of ordinary shares issued=K(kobo) | (1,161)/1,471=0.8 | (3,136,413)/2,100,000=1.5 |
| Price earning ratio=market price per share(MPS)/earnings per share(EPS) | 0.50/0.8=0.6 | 0.5/1.5=0.33 |
| Earnings yield=EPS/MPS × 100% | 0.8/0.5×100%=1.6 | 1.5/0.5×100%=3 |
| Net asset per share=net asset-preference share capital/no. of ordinary share in issue |  |  |
| Dividend per share=gross dividend/no. of ordinary shares=x(naira) |  |  |
| Dividend payout ratio=DPS/EPS |  |  |
| Dividend yield=DPS/MPS × 100% |  |  |
| Dividend cover=PAT-preference dividend/gross dividend=xtimes |  |  |
| LONG TERM SOLVENCY & STABILITY RATIO  Gearing ratio= fixed interest + loan + pref. share capital/ordinary share capital + reserves or debt/equity | 10,843/(5,964)= | 5,807,732/159,667= |
| Fixed interest cover=profit before interest & tax/fixed interest | 1,154/1,106= | (3,277,655)/0= |
| Total debt to shareholder’s funds=noncurrent liabilities + current liabilities/equity or shareholders fund | 10,843/(5,964)= | 5,807,732/159,667= |
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Consumer Goods Sector

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| Ratio Formulas | Guinness | Nestle |
| Current ratios=current assets/current liabilities | N’000  54,610,047/42,847,115= | N’000  82,734,317/92,117,501= |
| Quick assets=current assets-inventory/current liabilities | 54,610,047-19,032,362/42,847,115= | 82,734,317-23,124,020/92,117,501= |
| Receivables collection period=average trade receivable/credit sales × 365days | 23,890,304/142,975,792×365days= | 42,175,062/266,274,621×365days= |
| Payables payment period=average trade payables/credit purchases × 365days | 31,175,725/94,350,387×365days= | 60,384,454/152,354,445×365days= |
| Inventory turnover period=average inventory/cost of sales × 365days | 19,032,362/94,350,387×365days= | 23,124,020/152,354,445×365days= |
| Receivables turnover=credit sales/average receivables | 142,975,792/23,890,304= | 266,274,621/42,175,062= |
| Payables turnover=credit purchases/average payables | 94,350,387/31,175,725= | 152,354,445/60,384,454= |
| Inventory turnover=cost of sales/average inventory | 94,350,387/19,032,362= | 152,354,445/23,124,020= |
| ROCE=Profit margin × asset turnover | 0.09%×130.55%= | 0.16%×671.85%= |
| Gross profit percentage=gross profit/sales × 100% | 48,625,405/142,975,792×100%= | 113,920,176/226,274,621×100%= |
| Net profit percentage=net profit/sales × 100% | (3,443,084)/142,975,792×100%= | 43,008,026/226,274,621×100%= |
| Expenses percentage=individual expenses/total expenses × 100% |  |  |
| Expenses to sales=individual expenses/sales × 100% |  |  |
| INVESTORS RATIOS  Earnings per share=PAT-preference dividend/no. of ordinary shares issued=K(kobo) | 6,717,605/1,905,191=3.5 | 43,008,026/396,328,126=0.11k |
| Price earning ratio=market price per share(MPS)/earnings per share(EPS) | 1.84/3.5=0.5 | 20k/0.11k=1.8 |
| Earnings yield=EPS/MPS × 100% | 3.5/.20×100%=0.7 | 0.11/0.20×100%=0.6 |
| Net asset per share=net asset-preference share capital/no. of ordinary share in issue |  |  |
| Dividend per share=gross dividend/no. of ordinary shares=x(naira) | 0.5 | =0.5 |
| Dividend payout ratio=DPS/EPS |  |  |
| Dividend yield=DPS/MPS × 100% | 0.5/1.84×100%=0.3 | 0.5/0.20×100%=2.5 |
| Dividend cover=PAT-preference dividend/gross dividend=xtimes | 9943164/547595410 | 59750846/15896696 |
| LONG TERM SOLVENCY & STABILITY RATIO  Gearing ratio= fixed interest + loan + pref. share capital/ordinary share capital + reserves or debt/equity | 65,666,794/87,588,174= | 112,113,936/50,220,486= |
| Fixed interest cover=profit before interest & tax/fixed interest | 9,943,164/5,644,560= | 59,750,846/2,606,774= |
| Total debt to shareholder’s funds=noncurrent liabilities + current liabilities/equity or shareholders fund | 65,666,794/87,588,174= | 112,113,936/50,220,486= |
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Customer Service Sector

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| Ratio Formulas | ABC Transport | Transcorp |
| Current ratios=current assets/current liabilities | N’000  1,824,309/2,249,247= | N’000  94,089,491/104,655,509= |
| Quick assets=current assets-inventory/current liabilities | 1,824,309-853,448/2,249,247= | 94,089,491-4,646,609/104,655,509= |
| Receivables collection period=average trade receivable/credit sales × 365days | 326,642/1,701,475×365days | 83,827,859/80,284,959×365days= |
| Payables payment period=average trade payables/credit purchases × 365days | 1,169,191/1,288,629×365days= | 104,655,509/43,860,652×365days= |
| Inventory turnover period=average inventory/cost of sales × 365days | 853,448/1,288,629×365days= | 4,646,609/43,860,652×365days= |
| Receivables turnover=credit sales/average receivables | 1,701,475/326,642= | 80,284,959/83,827,859= |
| Payables turnover=credit purchases/average payables | 1,288,629/1,169,191= | 43,860,652/64,846,974= |
| Inventory turnover=cost of sales/average inventory | 1,288,629/853,448= | 43,860,652/4,646,609= |
| ROCE=Profit margin × asset turnover | 2.5/2.1= | 0.32/3.95= |
| Gross profit percentage=gross profit/sales of 100% | 412,846/1,701,475×100%= | 36,424,307/80,284,959×100%= |
| Net profit percentage=net profit/sales × 100% | 32,453/1,701,475×100%= | 10,607,276/80,284,959×100%= |
| Expenses percentage=individual expenses/total expenses × 100% |  |  |
| Expenses to sales=individual expenses/sales × 100% | 336,254/1,701,475×100%= | 11,751,949/80,284,959×100%= |
| INVESTORS RATIOS  Earnings per share=PAT-preference dividend/no. of ordinary shares issued=K(kobo) | 86,290/828,850=0.1 | 12305507/40647991=0.3 |
| Price earning ratio=market price per share(MPS)/earnings per share(EPS) | 1.5/0.1=15 | 1.7/0.3=5.66 |
| Earnings yield=EPS/MPS × 100% | o.1/1.5×100%=0.15 | 0.3/1.7×100%=0.18 |
| Net asset per share=net asset-preference share capital/no. of ordinary share in issue | 1824309/828,850= | 94089491/40647991=2.3 |
| Dividend per share=gross dividend/no. of ordinary shares=x(naira) | 414425/828850=0.5 | 20,323995.5/40647991=0.5 |
| Dividend payout ratio=DPS/EPS | 0.5/0.1=5 | 0.5/0.3=1.67 |
| Dividend yield=DPS/MPS × 100% | 0.5/1.5×100%=0.33 | 1.67/1.7=0.98 |
| Dividend cover=PAT-preference dividend/gross dividend=xtimes | 82290/0.1=8229 | 12,305,547/0.5=24 |
| LONG TERM SOLVENCY & STABILITY RATIO  Gearing ratio= fixed interest + loan + pref. share capital/ordinary share capital + reserves or debt/equity | 2,629,323/1,827,669= | 189,814,507/95,707,797= |
| Fixed interest cover=profit before interest & tax/fixed interest | 86,290/39,257= | 12,305,547/9,670,480= |
| Total debt to shareholder’s funds=noncurrent liabilities + current liabilities/equity or shareholders fund | 2,629,323/1,827,669= | 189,814,507/95,707,797= |
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Health Sector

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| Ratio Formulas | Ekocorp PLC | Pharma Deko PLC |
| Current ratios=current assets/current liabilities | N’000  278,129/1,499,792= | N’000  510,849/545,790= |
| Quick assets=current assets-inventory/current liabilities | 278,129-50,367/1.499,792= | 510,849-255,224/545,790= |
| Receivables collection period=average trade receivable/credit sales × 365days | 212,842/1,472,720×365days= | 169,522/1,023,806×365days= |
| Payables payment period=average trade payables/credit purchases × 365days | 1,258,913/1,289,095×365days= | 68,098/622,439×365days= |
| Inventory turnover period=average inventory/cost of sales × 365days | 50,367/1,289,095×365days= | 255,224/622,439×365days= |
| Receivables turnover=credit sales/average receivables | 1,472,720/212,842= | 1,023,806/169,522= |
| Payables turnover=credit purchases/average payables | 1,289,095/1,258,913= | 622,439/68,920= |
| Inventory turnover=cost of sales/average inventory | 1,289,095/50,367= | 622,439/255,224= |
| ROCE=Profit margin × asset turnover | -0.22%×5.91%= | 0.26%×9.44%= |
| Gross profit percentage=gross profit/sales of 100% | 183,625/1,472,720×100%= | 401,367/1,023,806×100%= |
| Net profit percentage=net profit/sales × 100% | 214,651/1,472,720×100%= | -255,045/1,023,806×100%= |
| Expenses percentage=individual expenses/total expenses × 100% |  |  |
| Expenses to sales=individual expenses/sales × 100% |  |  |
| INVESTORS RATIOS  Earnings per share=PAT-preference dividend/no. of ordinary shares issued=K(kobo) | (328,468)/249,300=1.3 | (265,280)/108,466=2.4 |
| Price earning ratio=market price per share(MPS)/earnings per share(EPS) | 6/1.3=4.6 | 1.5/2.4=0.6 |
| Earnings yield=EPS/MPS × 100% | 1.3/6×100%=0.2 | 2.4/1.5×100%=1.6 |
| Net asset per share=net asset-preference share capital/no. of ordinary share in issue |  |  |
| Dividend per share=gross dividend/no. of ordinary shares=x(naira) | 498600/249300=2 | 54233/108466=0.5 |
| Dividend payout ratio=DPS/EPS | 2/1.3=1.5 | 0.5/2.4=0.2 |
| Dividend yield=DPS/MPS × 100% | 1.3/6×100%=0.2 | 2.4/1.5×100%=1.6 |
| Dividend cover=PAT-preference dividend/gross dividend=xtimes | 225,735)/11,084= | (255,983)/938= |
| LONG TERM SOLVENCY & STABILITY RATIO  Gearing ratio= fixed interest + loan + pref. share capital/ordinary share capital + reserves or debt/equity | 2,798,403/3,154,672= | 732,781/1,590,365days= |
| Fixed interest cover=profit before interest & tax/fixed interest | (225,735)/11,084= | (255,983)/938= |
| Total debt to shareholder’s funds=noncurrent liabilities + current liabilities/equity or shareholders fund | 2,798,403/3,154,672= | 732,781/1,590,365days= |
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Industrial Sector

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| Ratio Formulas | Cutix | Julius Berger |
| Current ratios=current assets/current liabilities | N’000  1,957,976/1,359,513= | N’000  152,210,936/76,158,536= |
| Quick assets=current assets-inventory/current liabilities | 1,957,976-1,317,958/1,359,513= | 152,210,936-13,465,981/1,317,513= |
| Receivables collection period=average trade receivable/credit sales × 365days | 525,058/5,057,374×365days= | 101,484,353/194,617,712×365days= |
| Payables payment period=average trade payables/credit purchases × 365days | 499,300/3,536,685×365days= | 47,921,155/142,609,198×365days= |
| Inventory turnover period=average inventory/cost of sales × 365days | 1,317,958/3,536,685×365days= | 13,465,981/142,609,198×365days= |
| Receivables turnover=credit sales/average receivables | 5,057,374/525,058= | 194,617,712/101,484,353= |
| Payables turnover=credit purchases/average payables | 3,536,685/499,300= | 142,609,198/47,921,155 |
| Inventory turnover=cost of sales/average inventory | 3,536,685/1,317,958= | 142,609,198/13,465,981 |
| ROCE=Profit margin × asset turnover | 0.09%×11.49%= | 0.03%×294%= |
| Gross profit percentage=gross profit/sales × 100% | 1,520,689/5,057,374×100%= | 52,008,514/194,617,712×100%= |
| Net profit percentage=net profit/sales × 100% | 799,070/5,057,374×100%= | 12,087,949/194,617,712×100%= |
| Expenses percentage=individual expenses/total expenses × 100% |  |  |
| Expenses to sales=individual expenses/sales × 100% |  |  |
| INVESTORS RATIOS  Earnings per share=PAT-preference dividend/no. of ordinary shares issued=K(kobo) | 440,295/880,661=0.5k | 6,101,814/330,000,000=0.01k |
| Price earning ratio=market price per share(MPS)/earnings per share(EPS) | 3.0/0.5k=1.5k | 5.30/0.01k=530k |
| Earnings yield=EPS/MPS × 100% | 440,295/3.0×100%=146,765 | 0.01/5.3×100%= |
| Net asset per share=net asset-preference share capital/no. of ordinary share in issue | 1,057976/880661=1.2 | 152210936/660000000=0.23 |
| Dividend per share=gross dividend/no. of ordinary shares=x(naira) | 440331/880661=0.5 | 330000000/660000000=0.5 |
| Dividend payout ratio=DPS/EPS | 0.5/0.5=0.25 | 0.5/0.01=50 |
| Dividend yield=DPS/MPS × 100% | 0.25/3.0×100%=0.75 | 50/5.3=9.4 |
| Dividend cover=PAT-preference dividend/gross dividend=xtimes | 661,563/440331=1.5 | 10197666/3300000000=0.03 |
| LONG TERM SOLVENCY & STABILITY RATIO  Gearing ratio= fixed interest + loan + pref. share capital/ordinary share capital + reserves or debt/equity | 1,536,970/1,299,292= | 253,012,110/35,417,890= |
| Fixed interest cover=profit before interest & tax/fixed interest | 661,563/137,507= | 10,197,666/4,563,573= |
| Total debt to shareholder’s funds=noncurrent liabilities + current liabilities/equity or shareholders fund | 1,536,970/1,299,292= | 253,012,110/35,417,890= |