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Matric no: 17/SMS02/035

Title: Accounting ratios for companies listed in Nigeria’s stock exchange

Sector 1: Basic materials sector

|  |  |  |
| --- | --- | --- |
| Ratios | Aluminum Extrusion PLC | B.O.C gases PLC |
| **Short term solvency ratio** |  |  |
| Current ratio: Current assets/ Current liabilities | 696937/585574=1.19 | 2265693/1380892=1.64 |
| Acid test ratio: Current assets-inventory/Current liabilities | 696937-542611/585574=0.26 | 2265693-202391/1380892=1.49 |
| Receivable collection=Average receivable/Credit sales\* 365 | 146415/65691\*365=81.35 | 410932/653248\*365=229.6 |
| Payables collection=Average payable/cost of sales\*365 | 341768/565620\*365=220.5 | 594139/312925\*365=693.01 |
| Inventory= inventory/cost of sale\*365 | 542611/562620\*365=352.01 | 202391/312925\*365=236.07 |
| Receivables turnover=Credit sales/Average receivable | 656911/146415=4.486 | 653248/410932=1.589 |
| Payable turnover=Cost of sales/payables | 565620/341768=1.654 | 312925/594139=0.526 |
| Inventory turnover= Cost of sales/inventory | 312925/202391=1.546 | 562620/542611=1.036 |

Sector 2: Consumer Goods sector

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| --- | --- | --- |
| Current ratio: Current assets/ Current liabilities | Champion brew PLC  2054569/2305491=0.89 | Honeywell PLC  21611089/28207258=0.766 |
| Acid test ratio: Current assets-inventory/Current liabilities | 2054569-739277/2305491=0.57 | 21611089-7844965/28207258=0.488 |
| Receivable collection=Average receivable/Credit sales\* 365 | 1090183/4763757\*365=83.5 | 6518925/71476319\*365=33.28 |
| Payables collection=Average payable/cost of sales\*365 | 1799747/3572665\*365=183.8 | 12331422/55423670\*365=81.21 |
| Inventory= inventory/cost of sale\*365 | 739277/3572665\*365=75.5 | 7844965/55423670\*365=51.66 |
| Receivables turnover=Credit sales/Average receivable | 4763757/1090183=4.36 | 71476319/6518925=10.96 |
| Payable turnover=Cost of sales/payables | 3572665/1799747=1.98 | 55423670/12331422=4.494 |
| Inventory turnover= Cost of sales/inventory | 3572665/739277=4.83 | 55423670/7844965=7.064 |

Sector 3: Consumer Services sector

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| --- | --- | --- |
| Current ratio: Current assets/ Current liabilities | Ikeja Hotel  4051588/6754209=0.59 | Transcorp hotel  5832857/19885332=0.29 |
| Acid test ratio: Current assets-inventory/Current liabilities | 4051588-55333/6754209=0.59 | 5832857-573532/19885332=0.26 |
| Receivable collection=Average receivable/Credit sales\* 365 | 770733/7290231\*365=38.5 | 2062563/17424966\*365=43.2 |
| Payables collection=Average payable/cost of sales\*365 | 1252102/4670742\*365=97.8 | 8036253/4536148\*365=646.6 |
| Inventory= inventory/cost of sale\*365 | 55333/4670742\*365=4.32 | 573532/4536148\*365=46.1 |
| Receivables turnover=Credit sales/Average receivable | 7290231/770733=9.45 | 17424966/2062563=8.44 |
| Payable turnover=Cost of sales/payables | 4670742/1252102=3.73 | 4536148/8036253=0.56 |
| Inventory turnover= Cost of sales/inventory | 4670742/55333=84.4 | 4536148/573532=7.90 |

Sector 4: Financial sector

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| --- | --- | --- |
|  | Consolidated hallmark insurance PLC | Arbico PLC |
| Current ratio: Current assets/ Current liabilities | 9393327840/4791575832=1.96 | 3996157/3274842=1.22 |
| Acid test ratio: Current assets-inventory/Current liabilities | 9393327840/4791575832=1.96 | 3996157-31075/3274842=1.21 |
| Receivable collection=Average receivable/Credit sales\* 365 | 150356282/5542732729\*365=9.90 | 2191981/4891912\*365=163.5 |
| Payables collection=Average payable/cost of sales\*365 | 26482944/1859540653\*365=5.19 | 1985949/4147982\*365=174.7 |
| Inventory= inventory/cost of sale\*365 | 1859540653\*365=678732338345 | 31075/4147982\*365=2.73 |
| Receivables turnover=Credit sales/Average receivable | 5542732729/150356282=36.8 | 4891912/2191981=2.23 |
| Payable turnover=Cost of sales/payables | 1859540653/26482944=70.2 | 4147982/2191981=1.89 |
| Inventory turnover= Cost of sales/inventory | 1859540653 | 4147982/31075=133.4 |

Sector 5: Health sector

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| --- | --- | --- |
| Current ratio: Current assets/ Current liabilities | GlaxoSmithKline PLC  13338313/6760189=1.97 | Fidson PLC  20488325/10535885=1.94 |
| Acid test ratio: Current assets-inventory/Current liabilities | 13338313-3938707/6760189=1.39 | 20488325-2875133/10535885=1.67 |
| Receivable collection=Average receivable/Credit sales\* 365 | 5740325/18411475\*365=113.7 | 3803982/16229903\*365=85.5 |
| Payables collection=Average payable/cost of sales\*365 | 6244359/11654697\*365=195.5 | 3682712/9910219\*365=135.6 |
| Inventory= inventory/cost of sale\*365 | 3938707/11654697\*365=123.3 | 2875133/9910219\*365=105.8 |
| Receivables turnover=Credit sales/Average receivable | 18411475/5740325=3.20 | 16229903/3803982=4.26 |
| Payable turnover=Cost of sales/payables | 11654697/6244359=1.86 | 9910219/3682712=2.69 |
| Inventory turnover= Cost of sales/inventory | 11654697/3938707=2.95 | 9910219/2875133=3.44 |

Sector 6: Industrial Sector

|  |  |  |
| --- | --- | --- |
| Current ratio: Current assets/ Current liabilities | Dangote Cement PLC  486021/598915=0.81 | Red star express PLC  3668882/2129792=1.72 |
| Acid test ratio: Current assets-inventory/Current liabilities | 486021-99710/598915=0.64 | 3668882-52956/2129792=1.69 |
| Receivable collection=Average receivable/Credit sales\* 365 | 37948/240323\*365=57.6 | 2930854/8407507\*365=127.2 |
| Payables collection=Average payable/cost of sales\*365 | 276294/100243\*365=1006.02 | 1808983/5625188\*365=117.3 |
| Inventory= inventory/cost of sale\*365 | 99710/100243\*365=363.05 | 52956/5625188\*365=3.43 |
| Receivables turnover=Credit sales/Average receivable | 240323/37948=6.33 | 8407507/2930854=2.86 |
| Payable turnover=Cost of sales/payables | 100243/276294=0.36 | 5625188/1808983=3.10 |
| Inventory turnover= Cost of sales/inventory | 100243/99710=1.00 | 5625188/52956=106.2 |

Sector 7: Oil Sector

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| --- | --- | --- |
| Current ratio: Current assets/ Current liabilities | Eterna PLC  43318955/36581542=1.18 | Conoil PLC  54908451/41641699=1.31 |
| Acid test ratio: Current assets-inventory/Current liabilities | 43318955-8158741/36581542=0.96 | 54908451-9141599/41641699=1.09 |
| Receivable collection=Average receivable/Credit sales\* 365 | 30820401/251877933\*365=44.6 | 30295096/122213014\*365=90.4 |
| Payables collection=Average payable/cost of sales\*365 | 23382982/247235487\*365=34.5 | 35065872/109442111\*365=116.9 |
| Inventory= inventory/cost of sale\*365 | 8158741/247235487\*365=12.04 | 9141599/109442111\*365=30.4 |
| Receivables turnover=Credit sales/Average receivable | 251877933/30820401=8.17 | 122213014/30295096=4.03 |
| Payable turnover=Cost of sales/payables | 247235487/23382982=10.5 | 109442111/35065872=3.12 |
| Inventory turnover= Cost of sales/inventory | 247235487/8158741=30.3 | 109442111/9141599=11.9 |

Sector 8: Technology Sector

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| --- | --- | --- |
| Current ratio: Current assets/ Current liabilities | Etranzact International PLC  4105003/5630715=0.72 | Omatek Ventures  766/6903=0.11 |
| Acid test ratio: Current assets-inventory/Current liabilities | 4105003-401048/5630715=0.65 | 766-620/6903=0.02 |
| Receivable collection=Average receivable/Credit sales\* 365 | 1075193/18621653\*365=21.07 | 108/18\*365=2190 |
| Payables collection=Average payable/cost of sales\*365 | 5564590/16997019\*365=119.4 | 5918/5=1183.6 |
| Inventory= inventory/cost of sale\*365 | 401048/16997019\*365=8.61 | 620/5\*365=45260 |
| Receivables turnover=Credit sales/Average receivable | 18621653/1075193=17.3 | 18/108=0.16 |
| Payable turnover=Cost of sales/payables | 16997019/5564590=3.65 | 5/5918=0.84 |
| Inventory turnover= Cost of sales/inventory | 16997019/401048=42.3 | 5/620=0.80 |

**Profitability**

Sector 1: Basic materials sector

|  |  |  |
| --- | --- | --- |
|  | Aluminium PLC | B.O.C gases PLC |
| Gross earning ratio= Gross profit/Sales\*100 | 91291/656911\*100=13.89 | 340323/653248\*100=52.09 |
| Expenses percentage= Individual Expenses/total expenses\*100 | 12900/74539\*100=17.3  3588/74539\*100=4.81  35309/74539\*100=47.3  16742/74539\*100=22.4  6000/74539\*100=8.04 | 61189/353233\*100=17.32  122657/353233\*100=34.72  143419/353233\*100=40.60  83/353233\*100=0.023  25885/353233\*100=7.32 |
| Expenses to Sale=Individual expense/Sales\*100 | 12900/656911\*100=1.96  3588/656911\*100=0.54  35309/656911\*100=5.37  16742/656911\*100=2.54  6000/656911\*100=0.91 | 61189/653248\*100=9.36  122657/653248\*100=18.77  143419/653248\*100=21.95  83/653248\*100=0.012  25885/653248\*100=3.96 |
| R.O.C.E ratio=Profit before tax/Capital employed\*100 | 24021/1806690\*100=1.32 | 103106/43089153\*100=3.33 |
| Net profit earning=Profit for the year/Sales\*100 | 18021/656911\*100=2.74 | 77221/653248\*100=11.82 |
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Sector 2: Consumer Goods Sector

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| --- | --- | --- |
|  | Honeywell Flour mill PLC | Champion Brew Plc |
| Gross earning ratio= Gross profit/Sales\*100 | 16052649/71476319\*100=22.45 | 1191092/4763757\*100=25.3 |
| Expenses percentage= Individual Expenses/total expenses\*100 | 4718121/11827888\*100=39.8  2059563/11827888\*100=17.4  4604891/11827888\*100= 38.9  445313/11827888\*100=3.76 | 529076/1545081\*100=34.2  961789/1545081\*100=62.2  45842/1545081\*100=2.96  8374/1545081\*100=0.54 |
| Expenses to Sale=Individual expense/Sales\*100 | 4718121/71476319\*100=6.60  2059563/71476319\*100=2.88  4604891/71476319\*100=6.44  445313/71476319\*100=0.62 | 529076/4763757\*100=11.1  961789/4763757\*100=20.1  45842/4763757\*100=0.96  8374/4763757\*100=0.17 |
| R.O.C.E ratio=Profit before tax/Capital employed\*100 | 4872291/96627755\*100=5.04 | 255433/8181519\*100=3.12 |
| Net profit earning=Profit for the year/Sales\*100 | 4426978/71476319\*100=6.19 | 263807/4763757\*100=5.53 |

Sector 3: Consumer services sector

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| --- | --- | --- |
|  | Transcorp Hotels PLC | Ikeja Hotel |
| Gross earning ratio= Gross profit/Sales\*100 | 12241933/16475720\*100=74.3 | 2619489/7290231\*100=35.9 |
| Expenses percentage= Individual Expenses/total expenses\*100 | 7835534/9146601\*100=85.6  1311067/9146601\*100=14.3 | 236584/2087255\*100=11.3  983406/2087255\*100=47.1  717026/2087255\*100=34.35  150239/2087255\*100=7.19 |
| Expenses to Sale=Individual expense/Sales\*100 | 7835534/16475720\*100=47.5  1311067/16475720\*100=7.95 | 236584/7290231\*100=3.24  983406/7290231\*100=13.4  717026/7290231\*100=9.83  150239/7290231\*100=2.06 |
| R.O.C.E ratio=Profit before tax/Capital employed\*100 | 5187367/89158573\*100=5.82 | 827273/17854901\*100=4.63 |
| Net profit earning=Profit for the year/Sales\*100 | 3876300/16475720\*100=23.5 | 677034/7290231\*100=9.28 |

Sector 4: Financial Sector

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| --- | --- | --- |
|  | Consolidated Hallmark | Arbico PLC |
| Gross earning ratio= Gross profit/Sales\*100 | 3683192076/5542732729\*100=66.4 | 743930/4891912\*100=15.2 |
| Expenses percentage= Individual Expenses/total expenses\*100 | 4674531/1423187321\*100=0.32  1418512790/1423187321\*100=99.6 | 750336/795853\*100=94.2  45517/95853\*100=5.71 |
| Expenses to Sale=Individual expense/Sales\*100 | 4674531/5542732729\*100=0.084  1418512790/5542732729\*100=25.59 | 750336/4891912\*100=15.3  45517/4891912\*100=0.93 |
| R.O.C.E ratio=Profit before tax/Capital employed\*100 | 564679389/4601752008\*100=12.27 | 107178/2077154\*100=5.15 |
| Net profit earning=Profit for the year/Sales\*100 | 354751203/5542732729\*100=6.40 | 61661/4891912\*100=1.26 |

Sector 5: Health care sector

|  |  |  |
| --- | --- | --- |
|  | GlaxoSmithKline PLC | Fidson PLC |
| Gross earning ratio= Gross profit/Sales\*100 | 6756778/18411475\*100=36.6 | 6319684/16229903\*100=38.9 |
| Expenses percentage= Individual Expenses/total expenses\*100 | 634314/6519691\*100=9.72  3096566/6519691\*100=47.4  2244484/6519691\*100=34.4  542435/6519691\*100=8.32 | 2614355/6702981\*100=39.0  1925002/6702981\*100=28.7  1905330/6702981\*100=28.4  255314/6702981\*100=3.85 |
| Expenses to Sale=Individual expense/Sales\*100 | 634314/18411475\*100=3.44  3096566/18411475\*100=16.8  2244484/18411475\*100=12.1  542435/18411475\*100=2.94 | 2614355/16229903\*100=26.3  1925002/16229903\*100=28.7  1905330/16229903\*100=11.7  255314/16229903\*100=1.57 |
| R.O.C.E ratio=Profit before tax/Capital employed\*100 | 1160824/14758276\*100=7.86 | 160867/9947440\*100=16.1 |
| Net profit earning=Profit for the year/Sales\*100 | 618389/18411475\*100=3.35 | 97447/16229903\*100=0.60 |

Sector 6: Industrial sector

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| --- | --- | --- |
|  | Red star Express PLC | Dangote Cement PLC |
| Gross earning ratio= Gross profit/Sales\*100 | 1473882/4406118\*100=33.4 | 122254/170197\*100=71.8 |
| Expenses percentage= Individual Expenses/total expenses\*100 | 1131460/1283175\*100=88.1  151715/1283175\*100=11.8 | 7158/71379\*100=10.02  22027/71379\*100=30.98  4589/71379\*100=6.42  37605\*71379\*100=52.68 |
| Expenses to Sale=Individual expense/Sales\*100 | 1131460/4406118\*100=25.6  151715/4406118\*100=3.44 | 7158/170197\*100=4.20  22027/170197\*100=12.9  4589/170197\*100=2.69  37605/170197\*100=22.0 |
| R.O.C.E ratio=Profit before tax/Capital employed\*100 | 486487/1981956\*100=24.5 | 109560/1252233\*100=8.74 |
| Net profit earning=Profit for the year/Sales\*100 | 334772/4406118\*100=7.59 | 71955/170197\*100=42.27 |

Sector 7: Oil Sector

|  |  |  |
| --- | --- | --- |
|  | Eterna PLC | Conoil PLC |
| Gross earning ratio= Gross profit/Sales\*100 | 4533036/251874722\*100=1.79 | 12770902/122213014\*100=10.4 |
| Expenses percentage= Individual Expenses/total expenses\*100 | 35920/5449798\*100=0.65  2978554/5449798\*100=54.6  589366/5449798\*100=10.81  867859/5449798\*100=15.9  978099/5449798\*100=17.9 | 2571260/11088571\*100=23.1  6238524/11088571\*100=56.2  1508064/11088571\*100=13.6  770723/11088571\*100=6.95 |
| Expenses to Sale=Individual expense/Sales\*100 | 35920/251874722\*100=0.65  2978554/251874722\*100=1.18  589366/251874722\*100=0.23  867859/251874722\*100=0.34  978099/251874722\*100=0.38 | 2571260/122213014\*100=2.10  6238524/122213014\*100=5.10  1508064/122213014\*100=13.6  770723/122213014\*100=0.63 |
| R.O.C.E ratio=Profit before tax/Capital employed\*100 | 2566765/19255547\*100=13.3 | 2117616/16357269\*100=12.9 |
| Net profit earning=Profit for the year/Sales\*100 | 1796042/122213014\*100=1.46 | 1139517/251879\*100=452.4 |

Sector 8: Technology sector

|  |  |  |
| --- | --- | --- |
|  | E-Tranzact PLC | Omatek ventures PLC |
| Gross earning ratio= Gross profit/Sales\*100 | 1624634/18621653\*100=8.72 | 80/80\*100=100 |
| Expenses percentage= Individual Expenses/total expenses\*100 | 78232/5212081\*100=1.50  2360725/5212081\*100=45.2  2773124/5212081\*100=53.2 | 43/1088\*100=3.95  122/1088\*100=11.2  919/1088\*100=84.4  4/1088\*100=0.36 |
| Expenses to Sale=Individual expense/Sales\*100 | 78232/18621653\*100=0.42  2360725/18621653\*100=12.6  2773124/18621653\*100=14.8 | 43/80\*100=53.75  122/80\*100=152.5  919/80\*100=1148.7  4/80\*100=5 |
| R.O.C.E ratio=Profit before tax/Capital employed\*100 | 3277655/336684\*100=973.5 | 1042/863\*100=120.7 |
| Net profit earning=Profit for the year/Sales\*100 | 8136413/18621653\*100=16.8 | 1045/80\*100=1306.25 |

**Shareholder’s ratio**

Sector 1: Basic materials sector

|  |  |  |
| --- | --- | --- |
|  | Aluminium Extrusion | B.O.C Gases |
| Earning per share=Profit after tax-Preference shares/ordinary shares | 18021/109978=0.16 | 77221/5250000=0.26 |
| Dividends per share= Dividends paid/Number of ordinary shares | 109978000‬/109978=1000 | 5250000000/5250000=1000 |
| Dividend cover=Profit after tax/Total dividends paid | 18021/109978000=1.63 | 77221/525000000=1.47 |
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Sector 2: Consumer goods sector

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| --- | --- | --- |
|  | Honeywell-Flour Mill | Champion Brew |
| Earning per share=Profit after tax-Preference shares/ordinary shares | 4426978/3965099=1.11 | 263807/3914748=0.67 |
| Dividends per share= Dividends paid/Number of ordinary shares | 3965098829/3965099=999.9 | 4500000000/3914748=1149.4 |
| Dividend cover=Profit after tax/Total dividends paid | 4426978/39650998829=1.116 | 263807/450000000=5.86 |
|  |  |  |

Sector 3: Consumer services sector

|  |  |  |
| --- | --- | --- |
|  | Ikeja Hotel PLC | Transcorp Hotels PLC |
| Earning per share=Profit after tax/ordinary shares | 677034/2000000=0.33 | 49802915/3800202=13.1 |
| Dividends per share= Dividends paid/Number of ordinary shares | 2000000000/2000000=1000 | 3800201950/3800202=999.9 |
| Dividend cover=Profit after tax/Total dividends paid | 677034/2000000000=0.33 | 49802915/3800202=13.1 |
|  |  |  |

Sector 4: Finacial Sector

|  |  |  |
| --- | --- | --- |
|  | Consolidated Hallmark | Arbico PLC |
| Earning per share=Profit after tax/ordinary shares | 354751203/3000000000=0.11 | 61661/74250=0.83 |
| Dividends per share= Dividends paid/Number of ordinary shares | 5000000000/3000000000=1.67 | 74250000/3000000000=0.24 |
| Dividend cover=Profit after tax/Total dividends paid | 354751203/5000000000=0.70 | 61661/74250000=8.30 |

Sector 5: Health care sector

|  |  |  |
| --- | --- | --- |
|  | GlaxoSmithKline PLC | Fidson PLC |
| Earning per share=Profit after tax/ordinary shares | 618389/51395=12.3 | 97447/750000=0.12 |
| Dividends per share= Dividends paid/Number of ordinary shares | 750000/51395=14.5 | 750000000/750000=1000 |
| Dividend cover=Profit after tax/Total dividends paid | 618389/750000=0.82 | 97447/750000000=1.29 |

Sector 6: Industrial sector

|  |  |  |
| --- | --- | --- |
|  | Red star express PLC | Dangote Cement PLC |
| Earning per share=Profit after tax/ordinary shares | 334772/500000=0.66 | 71955/8520=8.44 |
| Dividends per share= Dividends paid/Number of ordinary shares | 294748380/500000=589.4 | 8520253702/500000=17040.5 |
| Dividend cover=Profit after tax/Total dividends paid | 334772/294748380=0.11 | 71955/8520253702=8.44 |

Sector 7: Oil sector

|  |  |  |
| --- | --- | --- |
|  | Eterna PLC | Conoil PLC |
| Earning per share=Profit after tax/ordinary shares | 1139517/652072=1.74 | 1796042/346976=5.17 |
| Dividends per share= Dividends paid/Number of ordinary shares | 652072.5/652072=1.76 | 346976058.5/346976=1000.16 |
| Dividend cover=Profit after tax/Total dividends paid | 1139517/652072.5=1.74 | 1796042/652072.5=2.75 |

Sector 8: Technology sector

|  |  |  |
| --- | --- | --- |
|  | E-tranzact International PLC | Omatek ventures PLC |
| Earning per share=Profit after tax/ordinary shares | 3136413/2100000=1.49 | 1045/1471=0.71 |
| Dividends per share= Dividends paid/Number of ordinary shares | 2100000000/2100000=1000 | 1470894736/1471=999,928.4 |
| Dividend cover=Profit after tax/Total dividends paid | 3136413/21000000000=0.14 | 1045/1470894736=7.10 |

Interpretation and Comparison for companies in Basic material sector

a) Current Ratio: This measure the ability of an entity to pay its near-term obligations. However the 2 companies in this situation being Aluminum Extrusion PLC and B.O.C Gases PLC may not be able to pay their bills in time as they are both below the average of 2:1. However I would still say B.O.C gases has a better ratio as it is closer to the average with 1.64, while Aluminum Extrusion PLC will have a harder time paying its debts

b) Acid-test Ratio: This provides a stricter definition of the company’s ability to make payments on current obligations. In this instance I would say that the company B.O.C gases has a better ratio as it is higher than the ideal ratio of 1:1, meaning it keeps too much cash on hand. Aluminum Extrusion PLC however has a ratio that is lower than the ideal ration and therefore means it relies too heavily on inventory to meet its obligations.

c) Receivable collection: In this instance I would say that Aluminum Extrusion PLC has a better ratio as it has a lower average collection period, indicating that the organization collects payments faster.

d) Payable Payment Period: from the Ratio of Aluminum Extrusion PLC has a long payables payment period as compared to its receivables collection period which means there are running fine margin. B.O.C Gases also has a long payables payment period. So in this case I would say that B.O.C gases has a better ratio as it has more of a gap between it’s receivable collection period and it’s payable payment period.

e) Inventory turnover period: Based on the analysis it would seem that B.O.C has a better ratio since it has a lower inventory turnover period than Aluminum PLC meaning their goods sell out at a much shorter period.

f) Receivable turnover period: In this instance it Aluminum PLC is in a more favorable situation as their ratio being higher means that the company is collecting their receivables more frequently throughout the year

g) Payable turnover period: In this instance Aluminum PLC is generally more desirable to creditors as they have a higher ratio which indicates to creditors the short-term liquidity and to that extent the creditworthiness of the company.

h) Inventory turnover period: In this instance Aluminum PLC is better as it has a higher inventory turnover which shows that it does not waste too much resources by storing non-salable inventory, it also shows that the company can effectively sell the inventory it buys more than B.O.C gases.

i) Gross earning ratio: This shows the average gross profit as a percentage of goods sold. Based on this the ratios of both companies. B.O.C gases has a better ratio than Aluminum PLC.

e) Expenses ratio: This represents the percentage of sales is an individual expense or group expense. In this instance Aluminum is better because it has a lower ratio which means it is more profitable.

f) Expenses to sales: An expense ratio that is increasing over time means the company is operating less efficiently from period to period. In this instance Aluminum PLC is performing better than B.O.C

g) R.O.C.E: The return on capital employed ratio shows how much profit each dollar of employed capital generates. In this instance B.O.C is more favorable as it means the amount of profits are generated by each amount of capital employed.

h) Net profit earnings: It expresses the relative profitability of the business after taking into account all income and expenses for that period .In this instance I would say that B.O.C gases has a better ratio as it has a better percentage of sales.

I)Earnings per share: This ratio helps to highlight the sources of improvement or deterioration in the net profit to sales percentage, from both companies you can see that it shows a detoriation in net profit percentage, meaning that the expenses has risen at more proportion making profit to reduce in relation to sales. But B.O.C still has a better ratio. In general in the area of profitability ratios Aluminum PLC has performed better than B.O.C gases PLC

J) Dividend per share: Based on my analysis it would seem the two companies have the same Dps

k) Dividend cover: In this case it would seem that the DCR for B.O.C gases is deteriorating as it is well under the average of 1.5.

Interpretation and Comparison for companies in Consumer goods sector

a) Current Ratio: This measure the ability of an entity to pay its near-term obligations. However the 2 companies in this situation being Champion brew PLC and Honeywell PLC may not be able to pay their bills in time as they are both below the average of 2:1. However I would still say Champion brew has a better ratio as it is closer to the average with 0.89, while Aluminum Extrusion PLC will have a harder time paying its debts

b) Acid-test Ratio: This provides a stricter definition of the company’s ability to make payments on current obligations. In this instance I would say that both companies rely to heavily on inventory as they are both below the average of 1:1. Champion still has the better ratio in this regard

c) Receivable collection: In this instance I would say that Honeywell PLC has a better ratio as it has a lower average collection period, indicating that the organization collects payments faster.

d) Payable Payment Period: from the Ratio of Champion brew PLC has a long payables payment period as compared to its receivables collection period which means there are running fine margin. Honeywell PLC also has a long payables payment period. So in this case I would say that Champion brew PLC has a better ratio as it has more of a gap between it’s receivable collection period and it’s payable payment period.

e) Inventory turnover period: Based on the analysis it would seem that Honeywell PLC has a better ratio since it has a lower inventory turnover period than Champion brew PLC meaning their goods sell out at a much shorter period.

f) Receivable turnover period: In this instance it Honeywell PLC is in a more favorable situation as their ratio being higher means that the company is collecting their receivables more frequently throughout the year

g) Payable turnover period: In this instance Honeywell PLC is generally more desirable to creditors as they have a higher ratio which indicates to creditors the short-term liquidity and to that extent the creditworthiness of the company.

h) Inventory turnover period: In this instance Honeywell PLC is better as it has a higher inventory turnover which shows that it does not waste too much resources by storing non-salable inventory, it also shows that the company can effectively sell the inventory it buys more than Champion PLC.

i) Gross earning ratio: This shows the average gross profit as a percentage of goods sold. Based on this the ratios of companies. Champion brew has a better ratio than Honeywell flour mill PLC.

e) Expenses ratio: This represents the percentage of sales is an individual expense or group expense. In this instance Honeywell is better because it has a lower ratio which means it is more profitable.

f) Expenses to sales: An expense ratio that is increasing over time means the company is operating less efficiently from period to period. In this instance is performing better Honeywell than Champion brew

g) R.O.C.E: The return on capital employed ratio shows how much profit each dollar of employed capital generates. In this instance Honeywell is more favorable as it means the amount of profits are generated by each amount of capital employed.

h) Net profit earnings: It expresses the relative profitability of the business after taking into account all income and expenses for that period .In this instance I would say that Honeywell gases has a better ratio as it has a better percentage of sales.

I)Earnings per share: This ratio helps to highlight the sources of improvement or deterioration in the net profit to sales percentage, from both companies you can see that it shows a detoriation in net profit percentage, meaning that the expenses has risen at more proportion making profit to reduce in relation to sales. But Honeywell still has a better ratio. In general in the area of profitability ratios Honeywell PLC has performed better than Champion brew PLC

J) Dividend per share: Based on my analysis Champion brew did better than Honeywell as it is has a higher dps than champion brew

k) Dividend cover: In this case it would seem that the DCR for Honeywell is deteriorating as it is well under the average of 1.5.

Interpretation and Comparison for companies in Basic material sector

a) Current Ratio: This measure the ability of an entity to pay its near-term obligations. However the 2 companies in this situation being Aluminum Extrusion PLC and B.O.C Gases PLC may not be able to pay their bills in time as they are both below the average of 2:1. However I would still say B.O.C gases has a better ratio as it is closer to the average with 1.64, while Aluminum Extrusion PLC will have a harder time paying its debts

b) Acid-test Ratio: This provides a stricter definition of the company’s ability to make payments on current obligations. In this instance I would say that the company B.O.C gases has a better ratio as it is higher than the ideal ratio of 1:1, meaning it keeps too much cash on hand. Aluminum Extrusion PLC however has a ratio that is lower than the ideal ration and therefore means it relies too heavily on inventory to meet its obligations.

c) Receivable collection: In this instance I would say that Aluminum Extrusion PLC has a better ratio as it has a lower average collection period, indicating that the organization collects payments faster.

d) Payable Payment Period: from the Ratio of Aluminum Extrusion PLC has a long payables payment period as compared to its receivables collection period which means there are running fine margin. B.O.C Gases also has a long payables payment period. So in this case I would say that B.O.C gases has a better ratio as it has more of a gap between it’s receivable collection period and it’s payable payment period.

e) Inventory turnover period: Based on the analysis it would seem that B.O.C has a better ratio since it has a lower inventory turnover period than Aluminum PLC meaning their goods sell out at a much shorter period.

f) Receivable turnover period: In this instance it Aluminum PLC is in a more favorable situation as their ratio being higher means that the company is collecting their receivables more frequently throughout the year

g) Payable turnover period: In this instance Aluminum PLC is generally more desirable to creditors as they have a higher ratio which indicates to creditors the short-term liquidity and to that extent the creditworthiness of the company.

h) Inventory turnover period: In this instance Aluminum PLC is better as it has a higher inventory turnover which shows that it does not waste too much resources by storing non-salable inventory, it also shows that the company can effectively sell the inventory it buys more than B.O.C gases.

i) Gross earning ratio: This shows the average gross profit as a percentage of goods sold. Based on this the ratios of both companies. B.O.C gases has a better ratio than Aluminum PLC.

e) Expenses ratio: This represents the percentage of sales is an individual expense or group expense. In this instance Aluminum is better because it has a lower ratio which means it is more profitable.

f) Expenses to sales: An expense ratio that is increasing over time means the company is operating less efficiently from period to period. In this instance Aluminum PLC is performing better than B.O.C

g) R.O.C.E: The return on capital employed ratio shows how much profit each dollar of employed capital generates. In this instance B.O.C is more favorable as it means the amount of profits are generated by each amount of capital employed.

h) Net profit earnings: It expresses the relative profitability of the business after taking into account all income and expenses for that period .In this instance I would say that B.O.C gases has a better ratio as it has a better percentage of sales.

I)Earnings per share: This ratio helps to highlight the sources of improvement or deterioration in the net profit to sales percentage, from both companies you can see that it shows a detoriation in net profit percentage, meaning that the expenses has risen at more proportion making profit to reduce in relation to sales. But B.O.C still has a better ratio. In general in the area of profitability ratios Aluminum PLC has performed better than B.O.C gases PLC

J) Dividend per share: Based on my analysis it would seem the two companies have the same Dps

k) Dividend cover: In this case it would seem that the DCR for B.O.C gases is deteriorating as it is well under the average of 1.5.

Interpretation and Comparison for companies in Consumer services sector

a) Current Ratio: This measure the ability of an entity to pay its near-term obligations. However the 2 companies in this situation being Champion brew PLC and Honeywell PLC may not be able to pay their bills in time as they are both below the average of 2:1. However I would still say Champion brew has a better ratio as it is closer to the average with 0.89, while Aluminum Extrusion PLC will have a harder time paying its debts

b) Acid-test Ratio: This provides a stricter definition of the company’s ability to make payments on current obligations. In this instance I would say that both companies rely to heavily on inventory as they are both below the average of 1:1. Champion still has the better ratio in this regard

c) Receivable collection: In this instance I would say that Honeywell PLC has a better ratio as it has a lower average collection period, indicating that the organization collects payments faster.

d) Payable Payment Period: from the Ratio of Champion brew PLC has a long payables payment period as compared to its receivables collection period which means there are running fine margin. Honeywell PLC also has a long payables payment period. So in this case I would say that Champion brew PLC has a better ratio as it has more of a gap between it’s receivable collection period and it’s payable payment period.

e) Inventory turnover period: Based on the analysis it would seem that Honeywell PLC has a better ratio since it has a lower inventory turnover period than Champion brew PLC meaning their goods sell out at a much shorter period.

f) Receivable turnover period: In this instance it Honeywell PLC is in a more favorable situation as their ratio being higher means that the company is collecting their receivables more frequently throughout the year

g) Payable turnover period: In this instance Honeywell PLC is generally more desirable to creditors as they have a higher ratio which indicates to creditors the short-term liquidity and to that extent the creditworthiness of the company.

h) Inventory turnover period: In this instance Honeywell PLC is better as it has a higher inventory turnover which shows that it does not waste too much resources by storing non-salable inventory, it also shows that the company can effectively sell the inventory it buys more than Champion PLC.

i) Gross earning ratio: This shows the average gross profit as a percentage of goods sold. Based on this the ratios of companies. Champion brew has a better ratio than Honeywell flour mill PLC.

e) Expenses ratio: This represents the percentage of sales is an individual expense or group expense. In this instance Honeywell is better because it has a lower ratio which means it is more profitable.

f) Expenses to sales: An expense ratio that is increasing over time means the company is operating less efficiently from period to period. In this instance is performing better Honeywell than Champion brew

g) R.O.C.E: The return on capital employed ratio shows how much profit each dollar of employed capital generates. In this instance Honeywell is more favorable as it means the amount of profits are generated by each amount of capital employed.

h) Net profit earnings: It expresses the relative profitability of the business after taking into account all income and expenses for that period .In this instance I would say that Honeywell has a better ratio as it has a better percentage of sales.

I)Earnings per share: This ratio helps to highlight the sources of improvement or deterioration in the net profit to sales percentage, from both companies you can see that it shows a detoriation in net profit percentage, meaning that the expenses has risen at more proportion making profit to reduce in relation to sales. But Honeywell still has a better ratio. In general in the area of profitability ratios Honeywell PLC has performed better than Champion brew PLC

J) Dividend per share: Based on my analysis Champion brew did better than Honeywell.

k) Dividend cover: In this case it would seem that the DCR for Honeywell is deteriorating as it is well under the average of 1.5.

Interpretation and Comparison for companies in Consumer services sector

a) Current Ratio: This measure the ability of an entity to pay its near-term obligations. However the 2 companies in this situation being ikeja hotel and Transcorp hotel may not be able to pay their bills in time as they are both below the average of 2:1. However I would still say ikeja hotel has a better ratio as it is closer to the average with 0.59, while transcorp will have a harder time paying its debts

b) Acid-test Ratio: This provides a stricter definition of the company’s ability to make payments on current obligations. In this instance I would say that both companies rely to heavily on inventory as they are both below the average of 1:1. Ikeja still has the better ratio in this regard

c) Receivable collection: In this instance I would say that Ikeja has a better ratio as it has a lower average collection period, indicating that the organization collects payments faster.

d) Payable Payment Period: from the Ratio of Transcorp hotel has a long payables payment period as compared to its receivables collection period which means there are running fine margin. ikeja also has a long payables payment period. So in this case I would say that Transcorp hotel has a better ratio as it has more of a gap between it’s receivable collection period and it’s payable payment period.

e) Inventory turnover period: Based on the analysis it would seem that ikeja hotel has a better ratio since it has a lower inventory turnover period than Transcorp hotel meaning their goods sell out at a much shorter period.

f) Receivable turnover period: In this instance it Ikeja hotel is in a more favorable situation as their ratio being higher means that the company is collecting their receivables more frequently throughout the year

g) Payable turnover period: In this instance Ikeja hotel is generally more desirable to creditors as they have a higher ratio which indicates to creditors the short-term liquidity and to that extent the creditworthiness of the company.

h) Inventory turnover period: In this instance is better as it has a Ikeja hotel has a higher inventory turnover which shows that it does not waste too much resources by storing non-salable inventory, it also shows that the company can effectively sell the inventory it buys more than Transcorp.

i) Gross earning ratio: This shows the average gross profit as a percentage of goods sold. Based on this the ratios of companies. Transcorp hotels has a better ratio than Ikeja hotel.

j) Expenses ratio: This represents the percentage of sales is an individual expense or group expense. In this instance Transcorp hotels is better because it has a lower ratio which means it is more profitable.

k) Expenses to sales: An expense ratio that is increasing over time means the company is operating less efficiently from period to period. In this instance is performing better Transcorp than Ikeja hotel.

l) R.O.C.E: The return on capital employed ratio shows how much profit each dollar of employed capital generates. In this instance Transcorp hotel is more favorable as it means the amount of profits are generated by each amount of capital employed.

m) Net profit earnings: It expresses the relative profitability of the business after taking into account all income and expenses for that period .In this instance I would say that Transcorp has a better ratio as it has a better percentage of sales.

n)Earnings per share: This ratio helps to highlight the sources of improvement or deterioration in the net profit to sales percentage, from both companies you can see that it shows a detoriation in net profit percentage, meaning that the expenses has risen at more proportion making profit to reduce in relation to sales. But Transcorp still has a better ratio.

o) Dividend per share: Based on my analysis Ikeja did better than Transcorp hotels.

p) Dividend cover: In this case it would seem that the DCR for Ikeja hotel is deteriorating as it is well under the average of 1.5.

Interpretation and Comparison for companies in Financial sector

a) Current Ratio: This measure the ability of an entity to pay its near-term obligations. However the 2 companies in this situation being Consolidated hallmark insurance PLC and Arbico PLC may not be able to pay their bills in time as they are both below the average of 2:1. However I would still say Consolidated bank has a better ratio as it is closer to the average with 1.96, while Arbrico PLC will have a harder time paying its debts

b) Acid-test Ratio: This provides a stricter definition of the company’s ability to make payments on current obligations. Consolidated still has the better ratio in this regard

c) Receivable collection: In this instance I would say that Consolidated PLC has a better ratio as it has a lower average collection period, indicating that the organization collects payments faster.

d) Payable Payment Period: from the Ratio of Arbico PLC has a long payables payment period as compared to its receivables collection period which means there are running fine margin. Consolidated PLC also has a long payables payment period. So in this case I would say that Arbico PLC has a better ratio as it has more of a gap between it’s receivable collection period and it’s payable payment period.

e) Inventory turnover period: Based on the analysis it would seem that Arbico PLC has a better ratio since it has a lower inventory turnover period than Consolidated PLC meaning their goods sell out at a much shorter period.

f) Receivable turnover period: In this instance it Consolidated PLC is in a more favorable situation as their ratio being higher means that the company is collecting their receivables more frequently throughout the year

g) Payable turnover period: In this instance Consolidated PLC is generally more desirable to creditors as they have a higher ratio which indicates to creditors the short-term liquidity and to that extent the creditworthiness of the company.

h) Inventory turnover period: In this instance Consolidated PLC is better as it has a higher inventory turnover which shows that it does not waste too much resources by storing non-salable inventory, it also shows that the company can effectively sell the inventory it buys more than Champion PLC.

i) Gross earning ratio: This shows the average gross profit as a percentage of goods sold. Based on this the ratios of companies. Consolidated Hallmark has a better ratio than Arbico PLC.

j) Expenses ratio: This represents the percentage of sales is an individual expense or group expense. In this instance Arbico is better because it has a lower ratio which means it is more profitable.

k) Expenses to sales: An expense ratio that is increasing over time means the company is operating less efficiently from period to period. In this instance is performing better Consolidated than Champion brew

l) R.O.C.E: The return on capital employed ratio shows how much profit each dollar of employed capital generates. In this instance Consolidated is more favorable as it means the amount of profits are generated by each amount of capital employed.

M) Net profit earnings: It expresses the relative profitability of the business after taking into account all income and expenses for that period .In this instance I would say that Consolidated has a better ratio as it has a better percentage of sales.

I)Earnings per share: This ratio helps to highlight the sources of improvement or deterioration in the net profit to sales percentage, from both companies you can see that it shows a detoriation in net profit percentage, meaning that the expenses has risen at more proportion making profit to reduce in relation to sales. But Arbico still has a better ratio.

J) Dividend per share: Based on my analysis Consolidated did better than Arbico.

k) Dividend cover: In this case it would seem that the DCR for Consolidated is deteriorating as it is well under the average of 1.5.

Interpretation and Comparison for companies in Health care sector

a) Current Ratio: This measure the ability of an entity to pay its near-term obligations. However the 2 companies in this situation being Glaxo PLC and fidson PLC may not be able to pay their bills in time as they are both below the average of 2:1. However I would still say Glaxo PLC has a better ratio as it is closer to the average with 1.97, while Fidson PLC will have a harder time paying its debts

b) Acid-test Ratio: This provides a stricter definition of the company’s ability to make payments on current obligations. Glaxo still has the better ratio in this regard

c) Receivable collection: In this instance I would say that fison PLC has a better ratio as it has a lower average collection period, indicating that the organization collects payments faster.

d) Payable Payment Period: from the Ratio of Glaxo PLC has a long payables payment period as compared to its receivables collection period which means there are running fine margin. fidson PLC also has a long payables payment period. So in this case I would say that fidson PLC has a better ratio as it has more of a gap between it’s receivable collection period and it’s payable payment period.

e) Inventory turnover period: Based on the analysis it would seem that Glaxo PLC has a better ratio since it has a lower inventory turnover period than fidson PLC meaning their goods sell out at a much shorter period.

f) Receivable turnover period: In this instance it Glaxo PLC is in a more favorable situation as their ratio being higher means that the company is collecting their receivables more frequently throughout the year

g) Payable turnover period: In this instance Glaxo PLC is generally more desirable to creditors as they have a higher ratio which indicates to creditors the short-term liquidity and to that extent the creditworthiness of the company.

h) Inventory turnover period: In this instance Fidson PLC is better as it has a higher inventory turnover which shows that it does not waste too much resources by storing non-salable inventory, it also shows that the company can effectively sell the inventory it buys more than Glaxo PLC.

i) Gross earning ratio: This shows the average gross profit as a percentage of goods sold. Based on this the ratios of companies. Glaxo has a better ratio than Arbico PLC.

j) Expenses ratio: This represents the percentage of sales is an individual expense or group expense. In this instance Fidson is better because it has a lower ratio which means it is more profitable.

k) Expenses to sales: An expense ratio that is increasing over time means the company is operating less efficiently from period to period. In this instance is performing better Glaxo PLC than Fidson PLC

l) R.O.C.E: The return on capital employed ratio shows how much profit each dollar of employed capital generates. In this instance Glaxo is more favorable as it means the amount of profits are generated by each amount of capital employed.

M) Net profit earnings: It expresses the relative profitability of the business after taking into account all income and expenses for that period .In this instance I would say that Fidson has a better ratio as it has a better percentage of sales.

I)Earnings per share: This ratio helps to highlight the sources of improvement or deterioration in the net profit to sales percentage, from both companies you can see that it shows a detoriation in net profit percentage, meaning that the expenses has risen at more proportion making profit to reduce in relation to sales. But Fidson still has a better ratio.

J) Dividend per share: Based on my analysis Glaxo did better than Fidson

k) Dividend cover: In this case it would seem that the DCR for Glaxo is deteriorating as it is well under the average of 1.5.

Interpretation and Comparison for companies in Industrial sector

a) Current Ratio: This measure the ability of an entity to pay its near-term obligations. However the 2 companies in this situation being Redstar express and dangote cement may not be able to pay their bills in time as they are both below the average of 2:1. However I would still say Redstar express PLC has a better ratio as it is closer to the average with 1.72, while Dangote cement PLC will have a harder time paying its debts

b) Acid-test Ratio: This provides a stricter definition of the company’s ability to make payments on current obligations. Redstar still has the better ratio in this regard

c) Receivable collection: In this instance I would say that dangote PLC has a better ratio as it has a lower average collection period, indicating that the organization collects payments faster.

d) Payable Payment Period: from the Ratio of dangote PLC has a long payables payment period as compared to its receivables collection period which means there are running fine margin. redstar PLC also has a long payables payment period. So in this case I would say that redstar PLC has a better ratio as it has more of a gap between it’s receivable collection period and it’s payable payment period.

e) Inventory turnover period: Based on the analysis it would seem that Dangote PLC has a better ratio since it has a lower inventory turnover period than Redstar PLC meaning their goods sell out at a much shorter period.

f) Receivable turnover period: In this instance it Dangote PLC is in a more favorable situation as their ratio being higher means that the company is collecting their receivables more frequently throughout the year

g) Payable turnover period: In this instance Redstar PLC is generally more desirable to creditors as they have a higher ratio which indicates to creditors the short-term liquidity and to that extent the creditworthiness of the company.

h) Inventory turnover period: In this instance Dangote PLC is better as it has a higher inventory turnover which shows that it does not waste too much resources by storing non-salable inventory, it also shows that the company can effectively sell the inventory it buys more than Redstar PLC.

i) Gross earning ratio: This shows the average gross profit as a percentage of goods sold. Based on this the ratios of companies. Dangote has a better ratio than Redstar PLC.

j) Expenses ratio: This represents the percentage of sales is an individual expense or group expense. In this instance Dangote is better because it has a lower ratio which means it is more profitable.

k) Expenses to sales: An expense ratio that is increasing over time means the company is operating less efficiently from period to period. In this instance is performing better Redstar PLC than Dangote PLC

l) R.O.C.E: The return on capital employed ratio shows how much profit each dollar of employed capital generates. In this instance Dangote is more favorable as it means the amount of profits are generated by each amount of capital employed.

M) Net profit earnings: It expresses the relative profitability of the business after taking into account all income and expenses for that period .In this instance I would say that Redstar PLC has a better ratio as it has a better percentage of sales.

I)Earnings per share: This ratio helps to highlight the sources of improvement or deterioration in the net profit to sales percentage, from both companies you can see that it shows a detoriation in net profit percentage, meaning that the expenses has risen at more proportion making profit to reduce in relation to sales. But Redstar PLC still has a better ratio.

J) Dividend per share: Based on my analysis Dangote did better than Redstar.

k) Dividend cover: In this case it would seem that the DCR for Redstar is deteriorating as it is well under the average of 1.5.

Interpretation and Comparison for companies in Oil sector

a) Current Ratio: This measure the ability of an entity to pay its near-term obligations. However the 2 companies in this situation being Eterna express and Conoil cement may not be able to pay their bills in time as they are both below the average of 2:1. However I would still say Conoil PLC has a better ratio as it is closer to the average with 1.31, while Eterna express PLC will have a harder time paying its debts

b) Acid-test Ratio: This provides a stricter definition of the company’s ability to make payments on current obligations. Eterna still has the better ratio in this regard

c) Receivable collection: In this instance I would say that Eterna PLC has a better ratio as it has a lower average collection period, indicating that the organization collects payments faster.

d) Payable Payment Period: from the Ratio of Conoil PLC has a long payables payment period as compared to its receivables collection period which means there are running fine margin. Eterna PLC also has a long payables payment period. So in this case I would say that Eterna PLC has a better ratio as it has more of a gap between it’s receivable collection period and it’s payable payment period.

e) Inventory turnover period: Based on the analysis it would seem that Conoil PLC has a better ratio since it has a lower inventory turnover period than Eterna PLC meaning their goods sell out at a much shorter period.

f) Receivable turnover period: In this instance it Eterna PLC is in a more favorable situation as their ratio being higher means that the company is collecting their receivables more frequently throughout the year

g) Payable turnover period: In this instance Conoil PLC is generally more desirable to creditors as they have a higher ratio which indicates to creditors the short-term liquidity and to that extent the creditworthiness of the company.

h) Inventory turnover period: In this instance Conoil PLC is better as it has a higher inventory turnover which shows that it does not waste too much resources by storing non-salable inventory, it also shows that the company can effectively sell the inventory it buys more than Eterna PLC.

i) Gross earning ratio: This shows the average gross profit as a percentage of goods sold. Based on this the ratios of companies. Eterna has a better ratio than Conoil PLC.

j) Expenses ratio: This represents the percentage of sales is an individual expense or group expense. In this instance Eterna PLC is better because it has a lower ratio which means it is more profitable.

k) Expenses to sales: An expense ratio that is increasing over time means the company is operating less efficiently from period to period. In this instance is performing better Conoil PLC than Eterna PLC

l) R.O.C.E: The return on capital employed ratio shows how much profit each dollar of employed capital generates. In this instance Conoil PLC is more favorable as it means the amount of profits are generated by each amount of capital employed.

M) Net profit earnings: It expresses the relative profitability of the business after taking into account all income and expenses for that period .In this instance I would say that Conoil PLC has a better ratio as it has a better percentage of sales.

I)Earnings per share: This ratio helps to highlight the sources of improvement or deterioration in the net profit to sales percentage, from both companies you can see that it shows a detoriation in net profit percentage, meaning that the expenses has risen at more proportion making profit to reduce in relation to sales. But Conoil PLC still has a better ratio.

J) Dividend per share: Based on my analysis Eterna PLC did better than Conoil PLC.

k) Dividend cover: In this case it would seem that the DCR for Conoil is deteriorating as it is well under the average of 1.5.

Interpretation and Comparison for companies in Technology sector

a) Current Ratio: This measure the ability of an entity to pay its near-term obligations. However the 2 companies in this situation being Etranzact and Omatek cement may not be able to pay their bills in time as they are both below the average of 2:1. However I would still say Etranzact PLC has a better ratio as it is closer to the average with 1.31, while Omatek express PLC will have a harder time paying its debts

b) Acid-test Ratio: This provides a stricter definition of the company’s ability to make payments on current obligations. Etranzact still has the better ratio in this regard

c) Receivable collection: In this instance I would say that Etranzact PLC has a better ratio as it has a lower average collection period, indicating that the organization collects payments faster.

d) Payable Payment Period: from the Ratio of Omatek PLC has a long payables payment period as compared to its receivables collection period which means there are running fine margin. Etranzact PLC also has a long payables payment period. So in this case I would say that Omatek PLC has a better ratio as it has more of a gap between its receivable collection period and it’s payable payment period.

e) Inventory turnover period: Based on the analysis it would seem that Omatek PLC has a better ratio since it has a lower inventory turnover period than Etranzact PLC meaning their goods sell out at a much shorter period.

f) Receivable turnover period: In this instance it Omatek PLC is in a more favorable situation as their ratio being higher means that the company is collecting their receivables more frequently throughout the year

g) Payable turnover period: In this instance Omatek PLC is generally more desirable to creditors as they have a higher ratio which indicates to creditors the short-term liquidity and to that extent the creditworthiness of the company.

h) Inventory turnover period: In this instance Etranzact PLC is better as it has a higher inventory turnover which shows that it does not waste too much resources by storing non-salable inventory, it also shows that the company can effectively sell the inventory it buys more than Omatek PLC.

i) Gross earning ratio: This shows the average gross profit as a percentage of goods sold. Based on this the ratios of companies. Etranzact has a better ratio than Omatek PLC.

j) Expenses ratio: This represents the percentage of sales is an individual expense or group expense. In this instance Etranzact PLC is better because it has a lower ratio which means it is more profitable.

k) Expenses to sales: An expense ratio that is increasing over time means the company is operating less efficiently from period to period. In this instance is performing better Omatek PLC than Etranzact PLC

l) R.O.C.E: The return on capital employed ratio shows how much profit each dollar of employed capital generates. In this instance Omatek PLC is more favorable as it means the amount of profits are generated by each amount of capital employed.

M) Net profit earnings: It expresses the relative profitability of the business after taking into account all income and expenses for that period .In this instance I would say that Omatek PLC has a better ratio as it has a better percentage of sales.

I)Earnings per share: This ratio helps to highlight the sources of improvement or deterioration in the net profit to sales percentage, from both companies you can see that it shows a detoriation in net profit percentage, meaning that the expenses has risen at more proportion making profit to reduce in relation to sales. But Etranzact PLC still has a better ratio.

J) Dividend per share: Based on my analysis Omatek PLC did better than Etranzact PLC.

k) Dividend cover: In this case it would seem that the DCR for Omatek is deteriorating as it is well under the average of 1.5.