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18/SMS02/054

TERM PAPER (ACCOUNTING RATIOS)

BASIC MATERIAL SECTOR

Ratios	B.O.C Gases Nigeria	Portland Paints & Products Nigeria Plc
<b>Short term solvency ratio</b>		
Current Ratio= Current Assets/Current Liabilities	2,119,056/1,298,954=1.6	1718570/700439=2.4
Quick Asset Ratio= Current assets-inventory/Current Liabilities	2119056-156404/1298954=1.5	1718570-728047/700439=2.4
Receivables Collection Period= Average Trade Receivable/Credit Sales*365	425776/2869713*365=54.1	476180/282926*365=61.4
Payables Collection Period= Average Trade Payable/Cost of Sales*365	1026198/1425662*365=262.7	501988/1753972*365
Inventory Ratio= Average Inventory/Cost of Sales*365	156404/1425662*365=40.6	728047/1753972*365=104.4
Receivables Turnover= Credit Sales/Average Receivable	2869713/425776=6.7	2829262/476180=5.9
Payable Turnover= Cost of Sales/payables	1425662/1026198=1.3	1753972/501988=3.4
Inventory Turnover= Cost of Sales/Average Inventory	1425662/156404=9.1	1753972/501988=2.4

CONSUMER GOODS SECTER

Ratios	Nigerian Breweries Plc	Guinness Nigeria Plc
<b>Short term solvency ratio</b>		
Current Ratio= Current Assets/Current Liabilities	86282924/140383143=0.6	54610047/42847115=1.2
Quick Asset Ratio= Current assets-inventory/Current Liabilities	86282924-32506824/14038143=0.68	54610047-19032362/42847115=0.8

Receivables Collection Period= Average Trade Receivable/Credit Sales*365	$662066/350226472*365=0.68$	$23890304/1142975792*365=60.9$
Payables Collection Period= Average Trade Payable/Cost of Sales*365	$114881134/197484694*365=212.3$	$31175725/94350387*365=120.6$
Inventory Ratio= Average Inventory/Cost of Sales*365	$32506824/197484694*365=60$	$19032362/94350387*365=73.6$
Receivables Turnover= Credit Sales/Average Receivable	$350226472/662022=529$	$142975792/23890304=5.9$
Payable Turnover= Cost of Sales/payables	$197484694/114881134=1.7$	$94350387/31175725=3$
Inventory Turnover= Cost of Sales/Average Inventory	$197484694/32506824=60$	$94350387/19032362=4.9$

#### CONSUMER SERVICES SETOR

Ratios	Transcorp Hotels Plc	Capital Hotel Plc
<b>Short term solvency ratio</b>		
Current Ratio= Current Assets/Current Liabilities	$5722247/19627117=0.2$	$5698295/2630478=2.1$
Quick Asset Ratio= Current assets-inventory/Current Liabilities	$5722247-526851/19627117=0.2$	$568295-141990/2630478=2.2$
Receivables Collection Period= Average Trade Receivable/Credit Sales*365	$6583955/16475720*365=145$	$1620077/5977436*365=98.9$
Payables Collection Period= Average Trade Payable/Cost of Sales*365	$7804949/4233787*365=672.8$	$2378096/4869732*365=178.2$
Inventory Ratio= Average Inventory/Cost of Sales*365	$526851/4233787*365=45.4$	$141990/4869732*365=10.6$
Receivables Turnover= Credit Sales/Average Receivable	$16475720/6583955=0.2$	$5677436/1620077=3.6$

Payable Turnover= Cost of Sales/payables	$4233787/7804949=0.5$	$4869732/2378096=2.0$
Inventory Turnover= Cost of Sales/Average Inventory	$4233787/526851=8$	$4869732/141990=34.2$

## INDUSTRIAL SECTOR

Ratios	Beta Glass Plc	Julius Berger Nigeria
<b>Short term solvency ratio</b>		
Current Ratio= Current Assets/Current Liabilities	$46079629/16452056=2.8$	$125029446/73196234=1.7$
Quick Asset Ratio= Current assets- inventory/Current Liabilities	$4607969-6239740/16452056=2.4$	$125039446-11304296/73196234=1.5$
Receivables Collection Period= Average Trade Receivable/Credit Sales*365	$13438292/26321014*365=186.3$	$91108522/170326746*365=195$
Payables Collection Period= Average Trade Payable/Cost of Sales*365	$11598037/19940375*365=212$	$45841795/132254711*365=126$
Inventory Ratio= Average Inventory/Cost of Sales*365	$6239740/19940375*365=114$	$11304296/132254711*365=31$
Receivables Turnover= Credit Sales/Average Receivable	$26321014/13438292=1.9$	$170326746/91108522=1.8$
Payable Turnover= Cost of Sales/payables	$19940375/11598037=1.7$	$132254711/45841795=2.8$
Inventory Turnover= Cost of Sales/Average Inventory	$19940375/6239740=3.1$	$132254711/11364296=11.6$

## OIL & GAS SECTOR

Ratios	11 Plc	Oando Plc
<b>Short term solvency ratio</b>		

Current Ratio= Current Assets/Current Liabilities	$34183632/19327761=1.7$	$236366708/227409609=1.01$
Quick Asset Ratio= Current assets-inventory/Current Liabilities	$34183632-17918599/19327761=0.84$	$236366708-26514991/227409609=0.9$
Receivables Collection Period= Average Trade Receivable/Credit Sales*365	$11513890/164609535*365=25.5$	$135177498/488938074*365=100$
Payables Collection Period= Average Trade Payable/Cost of Sales*365	$8212101/148015916*365=20$	$184967900/488938074*365=13$
Inventory Ratio= Average Inventory/Cost of Sales*365	$17918599/148015916*365=44$	$26514991/488938074*365=19.7$
Receivables Turnover= Credit Sales/Average Receivable	$164609535/115131890=14.2$	$488518160/135177498=3.6$
Payable Turnover= Cost of Sales/payables	$148015916/8212101=18$	$488938074/184967900=2.6$
Inventory Turnover= Cost of Sales/Average Inventory	$148015916/17918599=8.2$	$488938074/26514991=18.4$

## TECHNOLOGY SECTOR

Ratios	Africa Prudential Plc	Omatek Ventures
<b>Short term solvency ratio</b>		
Current Ratio= Current Assets/Current Liabilities	$16921274/11377242=1.4$	$3487000/4425000=0.7$
Quick Asset Ratio= Current assets-inventory/Current Liabilities	$16921274-16578/11377242=1.4$	$3487000-0/4425000=0.7$
Receivables Collection Period= Average Trade Receivable/Credit Sales*365	$210963/347883*365=221$	$3487000/8000000*365=15$
Payables Collection Period= Average Trade Payable/Cost of Sales*365	$478379/490878*365=355$	$4357000/0*365=0$
Inventory Ratio= Average Inventory/Cost of Sales*365	$16578/490878*365=14.5$	0

Receivables Turnover= Credit Sales/Average Receivable	$347883/210963=1.6$	$80000000/3487000=22.9$
Payable Turnover= Cost of Sales/payables	$490878/478379=1.1$	0
Inventory Turnover= Cost of Sales/Average Inventory	$490878/16578=29.6$	0