

Name : Obaid Ullah

Lecturer : Ms Mariam Saleem

ID # : 14714

4th Semester BBA

Problem #1

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | A | B | C | D | E | F |
| Total assets- turnover= net sales/total- assets | 1.25 | 2 | 1.33 | 0.2 | 3 | 2.125 |
| Net profit Margin =  Net profit-after taxes/netsales | 0.07 | 0.1 | 0.1 | 0.1 | 0.125 | 0.058 |
| Earning power=  Net profit margin X Total asset turnover | 0.0875 | 0.2 | 0.133 | 0.02 | 0.375 | 0.12325 |

Problem # 2

Current ratio : Current asset/ current Liabilities

3800/1680 =2.26

Acid test ratio: (current asset- inventory)/current liabilities

(3800-2100)/1680=1.01

Average collection period: days in years receivable turnover

Receivable turnover: annual net creditsales/ receivables =>12680/1300 =9.75

365/9.75=37.44

Inventory turnover ratio: CGS/Inventory

8930/2100= 4.25

Debt to net worth ratio: Total debt /networth

(1680+2000)/3440=1.07

Long term debt to total capitalization ratio: long term debt/ (LTB +networth)

2000/(2000+3440)= 0.37

Gross profit margin : ( net sales-CGS)/net sales

(12680-8930)/12680=0.295=>0.3

Net profit margin : net profit after taxes/net sales

670/12680=0.053

ROE : net profit after taxes / shareholder equity

670 / 3440 = 0.195