

<u>Category</u>	<u>No.</u>	<u>Title</u>	<u>Formula</u>	<u>Answer</u>
<u>Profitability</u>	1	Return on Capital Employed	$\frac{\text{Net Profit (Before Interest)} \times 100}{\text{Capital Employed}}$	%
	2	Return on Shareholders Equity	$\frac{\text{Net Profit (After Pref Dividend)} \times 100}{\text{Capital Employed (Minus Debt)}}$	%
	3	Gross Profit Margin (%)	$\frac{\text{Gross Profit} \times 100}{\text{Sales}}$	%
	4	Net Profit Margin (%)	$\frac{\text{Net Profit} \times 100}{\text{Sales}}$	%
<u>Gearing</u>	5	Gearing Ratio	$\frac{\text{Debt Capital} \times 100}{\text{Total Capital}}$	%
	6	Interest Cover	$\frac{\text{Net Profit (Before Interest)}}{\text{Interest}}$	Times
<u>Liquidity</u>	7	Current (Working Capital) Ratio	Current Assets : Current Liabilities	? : 1
	8	Acid Test (Quick) Ratio	Current Assets - Stock : Current Liabilities	? : 1

<u>Category</u>	<u>No.</u>	<u>Title</u>	<u>Formula</u>	<u>Answer</u>
<u>Activity</u>	9	Stock Turnover	$\frac{\text{Cost of Sales}}{\text{Average Stock}}$	Times
	10	Debtors Collection Period	$\frac{\text{Debtors} \times 12}{\text{Credit Sales}}$	Months
	11	Creditors Collection Period	$\frac{\text{Creditors} \times 12}{\text{Credit Purchases}}$	Months
<u>Investment</u>	12	Earnings Per Share	$\frac{\text{Net Profit} - \text{Preference Dividend}}{\text{Number of Ordinary Shares}}$	cent
	13	Dividend Per Share	$\frac{\text{Total Dividend} - \text{Preference Dividend}}{\text{Number of Ordinary Shares}}$	cent
	14	Earnings Yield	$\frac{\text{Earnings Per Share} \times 100}{\text{Share Price}}$	%
	15	Dividend Yield	$\frac{\text{Dividend Per Share} \times 100}{\text{Share Price}}$	%
	16	Price Earnings Ratio	$\frac{\text{Share Price}}{\text{Earnings Per Share}}$ (Sometimes Dividend Per Share)	Years
17	Dividend Cover	$\frac{\text{Net Profit} - \text{Preference Dividend}}{\text{Total Dividend} - \text{Preference Dividend}}$	Times	