



$$1- \text{ Current Ration} = \frac{\text{Current Assets}}{\text{Current Liability}}$$

Current Assets = Inventories + Trade receivables + Advance tax + Cash and cash equivalents etc.

Current Liabilities = Trade payables + Short-term borrowings

$$2- \text{ Liquid Ration} = \frac{\text{Liquid Assets}}{\text{Current Liability}}$$

Liquid Asset = **Current Assets-Stock- prepaid exp.**

$$3- \text{ Stock Turnover Ration} = \frac{\text{Cost of goods sold}}{\text{Average Stock}}$$

$$4- \text{ Debtor Turnover Ration} = \frac{\text{Net Credit Sale}}{\text{Average Trade debtors}}$$

$$5- \text{ Debt Equity Ration} = \frac{\text{Long term debts}}{\text{Equity}}$$

$$6- \text{ Propriety Ration} = \frac{\text{Share holder fund}}{\text{Total Assets}}$$

$$7- \text{ Fixed Assets Ration} = \frac{\text{Net Fixed Assets}}{\text{Long Term Fund}}$$

$$8- \text{ Return on Equity Ration} = \frac{\text{Net Profit}}{\text{Equity}} \times 100$$

$$9- \text{ Debtor collection period} = \frac{\text{Average Total Debt}}{\text{Net credit sale}} \times 365$$

$$10- \text{ Creditors Turnover Ration} = \frac{\text{Net Credit Purchase}}{\text{Average total Creditors}}$$



- 11- **Average payment period** = $\frac{\text{Average total creditors} \times 365}{\text{Net creditor}}$
- 12- **Cost of Sale** = **Sale – GP**
- 13- **Working Capital** = $\frac{\text{Cost of Sale}}{\text{Net working capital}}$
- Net working capital** = **Current Assets – Current Liability**
- 14- **Fixed Assets Turnover Ratio** = $\frac{\text{Cost of Sale}}{\text{Net Fixed Assets}}$
- 15- **Gross Profit Ratio** = $\frac{\text{Gross profit}}{\text{Net sale}} \times 100$
- 16- **Operating profit Ration** = $\frac{\text{Operating profit}}{\text{Net Sale}} \times 100$
- Operating profit** = **GP- Operating Exp.**
- 17- **Operating Raton** = $\frac{\text{Cost of Sale} + \text{operating exp.}}{\text{Net Sale}} \times 100$
- 18- **Net profit Ration** = $\frac{\text{Net Profit}}{\text{Net Sale}} \times 100$
- 19- **Earnings Per Share** = $\frac{\text{Net Profit}}{\text{No. of Share}}$
- 20- **Price earning Ration** = $\frac{\text{Market value per share}}{\text{Earnings per share}}$
- 21- **Working capital Ration** = $\frac{\text{Current Assets}}{\text{Current Liability}}$