CHAPTER 8: MISCELLANEOUS

Impact of Corporate Action:

- Corporate actions influence the price of a security.
- Such changes influences securities either in terms of

1. number of shares increasing in the hands on the shareholders or
2. a change to the face value of the security or
3. receiving shares of a new company by the shareholders as in the case of merger or acquisition etc.

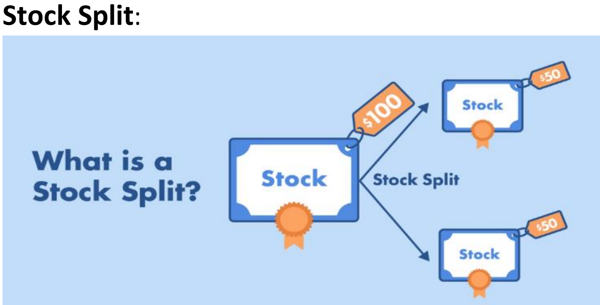
Two **ways an investor earns** from investing:
growth in the value (market price) of the share.
Dividends

Dividend and Dividend Yield:

$$Dividend\ Yield = \frac{Annual\ Dividend}{Current\ Stock\ Price}$$

Dividend is distribution of part of a company's earnings/ profits to shareholders. Generally, dividend is paid twice a year and categorized as 1. Interim dividend. 2. Final dividend
Directors of a company have discretion as to how much of a dividend to declare or whether they should pay any dividend at all.
Dividend yield gives the relationship between the current price of a stock and the dividend paid by its' issuing company during the last 12 months.
It is calculated by aggregating past year's dividend and dividing it by the current stock price.
ABC Co. Share price: Rs.360 Annual dividend: Rs.10 Dividend yield: 2.77% (10/360)
A high dividend yield is considered to be evidence that a stock is under-priced, whereas a low dividend yield is considered evidence that the stock is overpriced.

Stock Split:



A stock split is a corporate action which splits the existing shares of a particular face value into smaller denominations.
Impact of Stock Split

a) The number of shares increase
b) market capitalization or the value of shares held by the investors post-split remains the same as that before the split.
c) Example

2-for-1 Split	Pre-Split	Post-Split
No. of shares	100 mill.	200 mill.
Share Price	Rs. 40	Rs. 20
Market Cap.	Rs. 4000 mill.	Rs. 4000 mill.
4-for-1		
No. of shares	100 mill.	400 mill.
Share Price	Rs. 40	Rs. 10
Market Cap.	Rs. 4000 mill.	Rs. 4000 mill.

d) As the price of a security gets higher and higher, some investors may feel the price is too high for them to buy, or small investors may feel it is unaffordable. Splitting the stock brings the share price down to a more "attractive" level.
e) Thus splitting a stock may lead to increase in the stock's liquidity, since more investors are able to afford the share and the total outstanding shares of the company have also increased in the market.

What is Buyback of Shares?

It is a method for company to invest in itself by buying shares from other investors in the market.

Impact of buyback

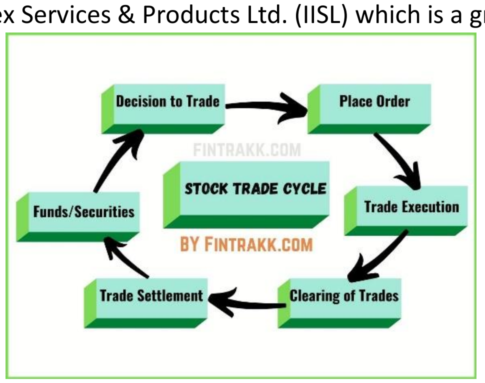
a) Buybacks reduce the number of shares outstanding in the market.
b) Improves the liquidity in its shares and enhance the shareholders' wealth.

Sebi guidelines for buyback:

1) Under the SEBI (Buy Back of Securities) Regulation, 1998, a company is permitted to buy back its share from:
a) Existing shareholders on a proportionate basis through the offer document.
b) Open market through stock exchanges using book building process.
c) Shareholders holding odd lot shares.
2) The company has to disclose the pre and post-buyback holding of the promoters.
3) In the cases of purchases through stock exchanges, an offer for buy back should not remain open for more than 30 days.
4) The verification of shares received in buy back has to be completed within 15 days of the closure of the offer.
5) The payments for accepted securities has to be made within 7 days of the completion of verification and bought back shares have to be extinguished within 7 days of the date of the payment.

Nifty Index

1. CNX Nifty (Nifty), is a scientifically developed index of 50 stocks. Nifty is the barometer of the Indian markets.
2. It accurately reflects the market movement of the Indian stock markets.
3. It comprises of some of the largest and most liquid stocks traded on the NSE.
4. It is maintained by India Index Services & Products Ltd. (IISL) which is a group company of NSE.



Clearing Corporation

- A Clearing Corporation is a part of an exchange or a separate entity and performs three functions namely.

1. it clears and settles all transactions, i.e. completes the process of receiving and delivering shares/funds to the buyers and sellers in the market,
2. it provides financial guarantees for all transactions executed on the exchange
3. provides risk management functions.

- National Securities Clearing Corporation Limited (NSCCL), a 100% subsidiary of NSE, is the clearing corporation of NSE.

Rolling Settlement

- Under rolling settlement all open positions (market order) at the end of the day mandatorily result in payment/ delivery 'n' days later.
- In India, currently trades in rolling settlement are settled on T+2 basis where T is the trade day. The funds and securities pay-in and pay-out are carried out on T+2 days.
- For example, a trade executed on Monday is mandatorily settled by Wednesday. (considering two working days from the trade day)

Pay-in and Pay-out

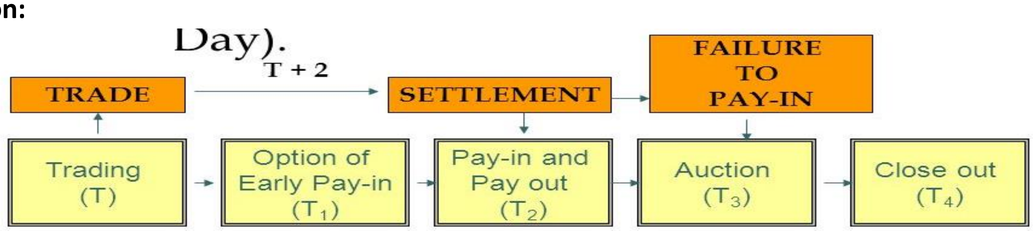
For sellers

1. Pay-in day is the day when the securities sold are delivered to the exchange by the sellers
2. Pay-out-Day the funds for the securities sold are given to the sellers by the exchange.

For buyers

1. Pay-in day is the day when funds for the securities purchased are made available to the exchange by the buyers.
2. Pay-out day is the day the securities purchased are delivered to the buyers.

Auction:



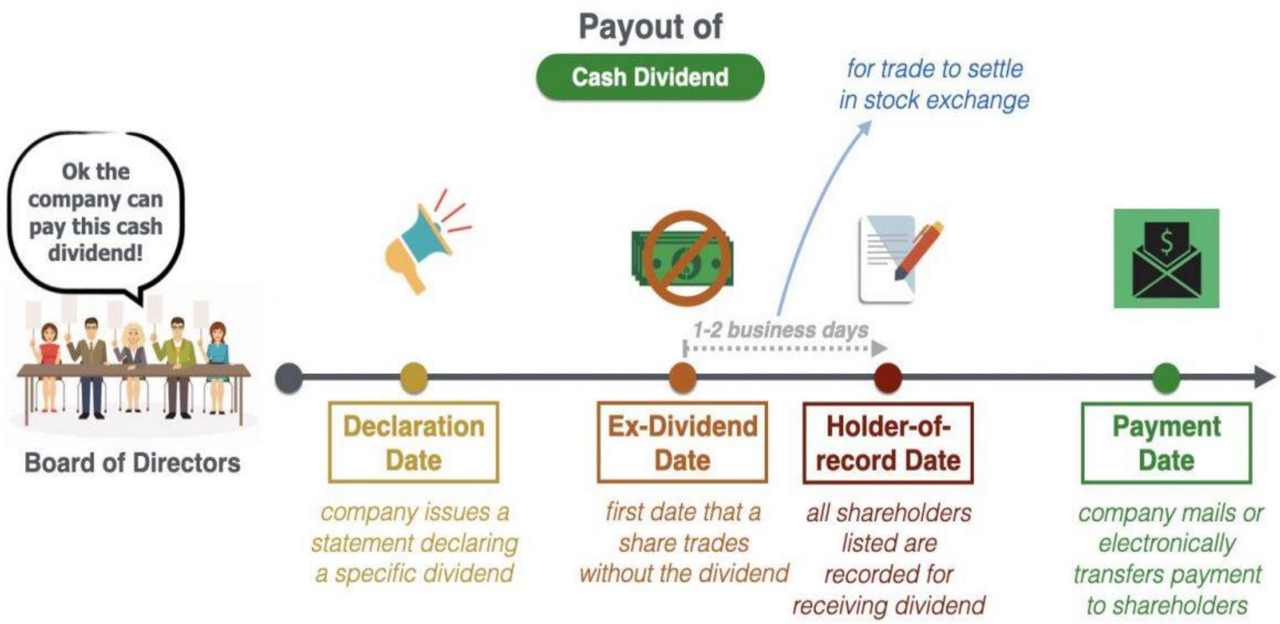
1. When securities are not delivered by the trading member on the pay-in day, the securities are put up for auction by the Exchange.
2. This ensures that the buying trading member receives the securities.
3. The Exchange purchases the requisite quantity in auction market and gives them to the buying trading member.

Book Date/ Record Date:

1. Book closure refers to the closing of the register of the names of investors in the records of a company. Book closure and record date help a company determine the shareholders of a company as on a given date.
2. The benefits of dividends, bonus issues, rights issue belong to investors whose name appear on the company's records on the record date.
3. **This date is announced well in advance by the company.**

Role of Depositories

1. In contrast to earlier times when shareholders were supposed to send physical form of shares in order to register and claim the benefit on shareholding, now with the depositories in place, the buyers need not send shares physically to the companies for registration.
2. The depository has the records of investor holdings as on a particular date electronically with them, so its easy for companies to trace right share holders and pass on the benefits.



Description	Declaration date	Ex-dividend date	Record date	Payment date
Date	9th Aug, 2017	15th Sept, 2017	18th Sept, 2017	2nd Nov, 2017
	Dividend is announced by company including dividend amount, record date and payment date	*Determined by Stock exchange. Need to buy shares before this date if you want to receive dividend*	*Need to be registered in the company's record on this date as shareholder to receive dividend*	*Dividend is transferred to eligible shareholders on this date*

T+2 Days

Ex-dividend date: The date on or after which a security begins trading without the dividend included in the price, i.e. buyers of the shares will no longer be entitled for the dividend which has been declared recently by the company, in case they buy on or after the ex-dividend date.

No-delivery period:

1. Whenever a company announces a book closure or record date, the exchange sets up a nodelivery period for that security.
2. During this period only trading is permitted in the security.
3. The trades are settled only after the no-delivery period is over. This is done to ensure that investor's entitlement for the corporate benefit is clearly determined.

Ex-date:

- The first day of the no-delivery period is the ex-date.
- In case of any rights, bonus, dividend announced for which book closure/record date is fixed, the buyer of the shares on or after the ex-date will not be eligible for the benefits.

Investor Redressal Procedure:

1. Lodging a complaint with the Investor Grievances Cell (IGC) of the Exchange against brokers on certain trade disputes or non-receipt of payment/securities. IGC takes up complaints in respect of trades executed on the NSE, through the NSE trading member or SEBI registered sub-broker of a NSE trading member and trades pertaining to companies traded on NSE
2. Arbitration is an alternative dispute resolution mechanism provided by a stock exchange for resolving disputes between the trading members and their clients in respect of trades done on the exchange.
3. If no amicable settlement could be reached through the normal grievance redressal mechanism of the stock exchange, then you can make application for reference to Arbitration under the Bye-Laws of the concerned stock exchange.
4. Investor Protection Fund (IPF) is maintained by NSE to make good investor claims, which may arise out of non-settlement of obligations by the trading member, who has been declared a defaulter, in respect of trades executed on the Exchange.
5. The maximum amount of claim payable from the IPF to the investor (where the trading member through whom the investor has dealt is declared a defaulter) is Rs.10 lakh.

A. MUTIPLE CHOICE QUESTIONS:

1) Which of the following is not true for sale transactions?
(a) Pay in of fund to clearing corporation
(b) Pay in of securities to clearing corporation
(c) Pay out of fund from clearing corporation
(d) None of the above

2. Historically, ___________ a dividend yield has been considered to be desirable among investors.
a) High
b) low
c) Equal
d) Constant

3. The Exchange purchases the requisite quantity in auction market and gives them to the ________ trading member.
a) defaulter's
b) buying
c) selling
d) any of the above

4. With the depositories in place, the buyers need not send shares physically to the companies for registration. Why is it so?
a) shares exist in dematerialized form and because can be sent via e-mail
b) shares exist in dematerialized form and are fungible
c) shares exist in dematerialized form and the records of investor holdings as on a particular date are electronically with them
d) All of the above

5. Which of the following does not fall in the list of corporate actions?

a) Bonus shares
b) rights share
c) preference share
d) dividend declaration

B		Very Short Answer Questions VSA (1 Mark)	Level
1		Name the two types of dividends.	U
2		What do you mean by corporate actions?	MD
3		Which organisation maintains index on NSE?	U
4		Define 'Ex-Dividend' and 'Ex-Date'	H
5		''Corporate actions are divided into two parts; one is cash benefit and the other is stock benefit.'' Identify the two.	C
C		**Short Answer Questions SA (2/3 Marks)**	**Level**
1		Explain with the help on example meaning of dividend yield.	U
2		State the role of Clearing Corporation in the 'National Stock Exchange'.	MD
3		What do you know about Rolling Settlement of Trading?	H
4		Explain Pay-in and Pay-out of Securities	U
5		What is meant by 'Auction' of securities?	MD
6		Describe how investors' grievances are redressed by the stock exchange.	U
7		Explain how a company determines its rightful shareholders as on a given date before passing on any benefit on account corporate action.	C
D		**Long Answer Questions LSA (5 Marks)**	**Level**
1		What is stock split? Explain with help of an example the concept of stock split.	MD
2		What is arbitration? What recourses are available to investor/client for redressing his grievances? Or Write in brief about the arbitration, Investor Protection Funds, Auctions and Corporate Actions.	C
3		Explain the clearing and settlement process on stock exchange	U
4		Explain the procedure for the buy-back of shares.	MD

5		Write a short note on a) no delivery period b) clearing corporation c) record date	U

CHAPTER 8: MISCELLANEOUS

What is Simple Interest?

Simple Interest is the interest paid only on the principal amount borrowed. No interest is paid on the interest accrued during the term of the loan.
Formula for calculating simple interest: I = Prt
Where, I = interest P = principal r = interest rate (per year) t = time (in years or fraction of a year).
Example :

If you have invested ₹ 5,00,000 in a fixed deposit account for 5 years and FD rates on your deposit is 10%, then the interest earned on deposits per SI formula would be as follows:

SI= 5,00,000 x 10 x 5 ÷ 100 = ₹ 2,50,000

What is Compound Interest?

Compound interest means that, the interest will include interest calculated on interest. The interest accrued on a principal amount is added back to the principal sum, and the whole amount is then treated as new principal, for the calculation of the interest for the next period.

Formula for calculating Compound Interest: n C = P (1+i) Where C = amount P = principal, i = Interest rate per conversion period n = total number of conversion periods.

Simple Interest	Compound Interest
1. In simple interest, interest for all years is same.	1. In compound interest, interest for all years is different.
2. SI is smaller than CI	2. CI is larger than SI
3. Formula is $\text{Interest} = \frac{P \times R \times T}{100}$	3. Formula is $\text{Amount} = P\left(1 + \frac{R}{100}\right)^n$
4. Interest is on Principal amount only.	4. Interest is on previous interest as well as the principal amount.

The Impact of Power of Compounding:

The impact of the power of compounding with different rates of return and different time periods:

At end of Year	5%	10%	15%	20%
1	Rs 10500	Rs 11000	Rs 11500	Rs 12000
5	Rs 12800	Rs 16100	Rs 20100	Rs 24900
10	Rs 16300	Rs 25900	Rs 40500	Rs 61900
15	Rs 20800	Rs 41800	Rs 81400	Rs 154100
25	Rs 33900	Rs 1,08300	Rs 3,29200	Rs 9,54,000

What is meant by the Time Value of Money?

- The relationship between value of a rupee today and value of a rupee in future is known as 'Time Value of Money'.
- A rupee received now can earn interest in future.
- An amount invested today has more value than the same amount invested at a later date because it can utilize the power of compounding.
- Compounding is the process by which interest is earned on interest. When a principal amount is invested, interest is earned on the principal during the first period or year.

How is time value of money computed?

The time value of money may be computed in the following circumstances:

1. Future value of a single cash flow
2. Future value of an annuity
3. Present value of a single cash flow
4. Present value of an annuity.

For a given present value (PV) of money, future value of money (FV) after a period M' for which compounding is done at an interest rate of V, is given by the equation.

$$FV = PV\,(1+r)^t$$

This assumes that compounding is done at discrete intervals. However, in case of continuous compounding, the future value is determined using the formula

$$FV = PV * e^{rt}$$

Where 'e' is a mathematical function called 'exponential' the value of exponential (e) = 2.7183. The compounding factor is calculated by taking natural logarithm (log to the base of 2.7183).

2. Future Value of an Annuity:

An annuity is a stream of equal annual cash flows. The future value (FVA) of a uniform cash flow (CF) made at the end of each period till the time of maturity 't' for which compounding is done at the rate V is calculated as follows:

$$FVA = CF^*\,(1+r)^{t-1} + CF^*\,(1+r)^{t-2} + \ldots + CF^*\,(1+r)^{1} + CF$$

$$= CF\left[\frac{(1+r)^t - 1}{r}\right]$$

The term $\left[\frac{(1+r)^t - 1}{r}\right]$ is referred as the Future Value Interest factor for an annuity (FVIFA). The same can be applied in a variety of contexts. For e.g. to know accumulated amount after a certain period, to know how much to save annually to reach the targeted amount, to know the interest rate etc.

3. Present Value of a Single Cash Flow:

Present value of (PV) of the future sum (FV) to be received after a period T for which discounting is done at an interest rate of V, is given by the equation.

$$PV = FV / (1+r)^t$$

4. Present Value of an Annuity:

The present value of annuity is the sum of the present values of all the cash inflows of this annuity.

$$PVA = FV [\{(1+r)^t - 1\}/ \{r * (1+r)^t\}]$$

The term $[(1+r)^t - 1/r^* (1+r)^t)]$ is referred as the Present Value Interest factor for an annuity (PVIFA).

Present value of an annuity (in case of continuous discounting) is calculated as:

$$PV_a = FV_a * (1-e^{-rt})/r$$

What is Effective Annual return?

An effective annual interest rate is the real return on a savings account or any interest-paying investment when the effects of compounding over time are considered. It also reflects the real percentage rate owed in interest on a loan, a credit card, or any other debt.

Usually while applying for a fixed deposit or a bond it is stated in the application form, that the annual return (interest) of an investment is 10%, but the effective annual return mentioned is something more, 10.38%. The difference of 0.38% may appear insignificant, but it can be huge when you're dealing with large numbers. 0.38% of Rs. 100,000 is Rs 380! Another thing to consider is that compounding does not necessarily occur quarterly, or only four times a year, as it does in the example above. There are accounts that compound monthly, and even some that compound daily. And, as our example showed, the frequency with which interest is paid (compounded) will influence effective rate of return.

How to go about systematically analyzing a company?

- **Industry Analysis**: Companies producing similar products are subset (form a part) of an Industry/Sector. For example, National Hydroelectric Power Company (NHPC) Ltd., National Thermal Power Company (NTPC) Ltd., Tata Power Company (TPC) Ltd. etc. belong to the Power Sector/Industry of India. It is very important to see how the industry to which the company belongs is faring. Specifics like effect of Government policy, future demand of its products etc. need to be checked. At times prospects of an industry may change drastically by any alterations in business environment.
- **Corporate Analysis:** Seeking information about the current operations, managerial capabilities, growth plans, its past performance vis-a-vis its competitors etc is known as Corporate Analysis.

What is an Annual Report?

An annual report is a formal financial statement issued yearly by a corporate. The annual report shows assets, liabilities, revenues, expenses and earnings - how the company stood at the close of the business year, how it fared profit-wise during the year, as well as other information of interest to shareholders. Companies publish annual reports and send abridged versions to shareholders free of cost. A detailed annual report is sent on request.

Which features of an Annual Report should one read carefully?

One must read an Annual Report with emphasis on the following:

1. Director's Report and Chairman's statement which are related to the current and future operational performance of a company.
2. Auditors' Report (including Annexure to the Auditors Report)
3. Profit and Loss Account.
4. Balance Sheet.
5. Notes to accounts attached to the Balance Sheet.

The Balance sheet of a company shows the financial position of the company at a particular point of time. The balance sheet of a company/firm, according to the Companies Act, 1956 should be either in the account form or the report form.

Balance Sheet: Report Form

Sources of Funds

1. Shareholders' Funds
(a) Share Capital
(b) Reserves & surplus

2. Loan Funds

(a) Secured loans
(b) Unsecured loans

II. Application of Funds

(a) Fixed Assets
(b) Investments
(c) Current Assets, loans and advances
Less: Current liabilities and provisions
Net current assets
(d) Miscellaneous expenditure and losses

The Profit and Loss account (Income Statement), on the other hand, shows the financial performance of the company/firm over a period. It indicates the revenues and expenses during period. The period is an accounting period/year, April-March.

What is the difference between Equity shareholders and Preferential shareholders?

S. No	Basis of distinction	Preference share	Equity Share
1	Voting rights	The holder of these shares do not enjoy any voting right except at their class meeting	Generally equity share holders enjoy voting rights.
2	Payment of dividend	The holders of these shares have the preference right as to the payment of dividend	Equity share holders get the dividend, after the payment to preference share holders.
3	Repayment of capital	The holders of these shares have the preference right as to the repayment of preference share capital	Repayment of equity share capital is made after making repayment to profaner share holder.
4	Rate of dividend	The rate of dividend is fixed	The rate of dividend may vary year to year
5	Convertibilit y	Preference shares can be converted into equity shares	The equity shares are non convertible
6	Redemption	The preference are redeemable during the life time of the company	The equity shares are not redeemable during the life time of the company

Explain the terms:

- **Authorized capital** is the maximum capital that a company is authorized to raise.
- **Issued capital** is that part of the authorized capital which is offered by the company for being subscribed by members of the public or anybody.
- **Subscribed capital** is that part of the issued capital which is subscribed (accepted) by the public.

- **Called up capital** is a part of subscribed capital which has been called up by the company for payment.
- **Paid up capital** refers to that part of the called up capital which has been actually paid by the shareholders. Some of the shareholders might have defaulted in paying the called up money. Such defaulted amount is called as arrears.

Difference between secured and unsecured loans under Loan Funds?

Secured loans	Unsecured Loans
Requires you to submit collateral to the lender	Does not require you to produce any tangible security
Charges a relatively lower rate of interest	Usually charges a higher rate of interest
Usually easier to procure as the banks have a collateral for safety	Slightly more stringent process
Generally offers a longer repayment tenure	Has a relatively shorter loan repayment tenure
The maximum loan amount granted is generally higher	The maximum sum granted is comparatively lower

Current Liabilities: A company may receive many of its daily services for which it does not have to pay immediately like for raw materials, goods and services brought on credit. A company may also accept advances from the customer. The company thus has a liability to pay though the payment is deferred. These are known as “Current Liabilities’.

Provisions: The company has to provide for certain other expenses like dividend to shareholders, payment of tax etc. These are called ‘Provisions’.

What should one look for in a Profit and Loss account?

- Whether there is an overall improvement of sales as well as profits.
- Check for the other income carefully, for here companies have the scope to manipulate. If the other income stems from dividend on the investments or interest from the loans and advances.
- Check for the increase of all expenditure items viz. raw material consumption, manpower cost and manufacturing, administrative and selling expenses.
- Evaluate whether the company could make profit from its operations alone. For this you should calculate the profits of the company, after ignoring all other income except sales. If the profit so obtained is positive, the company is operationally profitable, which is a healthy sign.
- Calculate the earnings per share and the various ratios. In case of half yearly results, multiply half yearly earnings per share by 2 to get approximately the annualized earnings per share.

B		**Very Short Answer Questions VSA (1 Mark)**	**Level**
1		Write the formula to calculate the future value of single cash flow in case of discrete compounding.	U
2		Give one difference between simple interest and Compound interest.	MD
3		What is Simple Interest?	U
C		**Short Answer Questions SA (2/3 Marks)**	**Level**

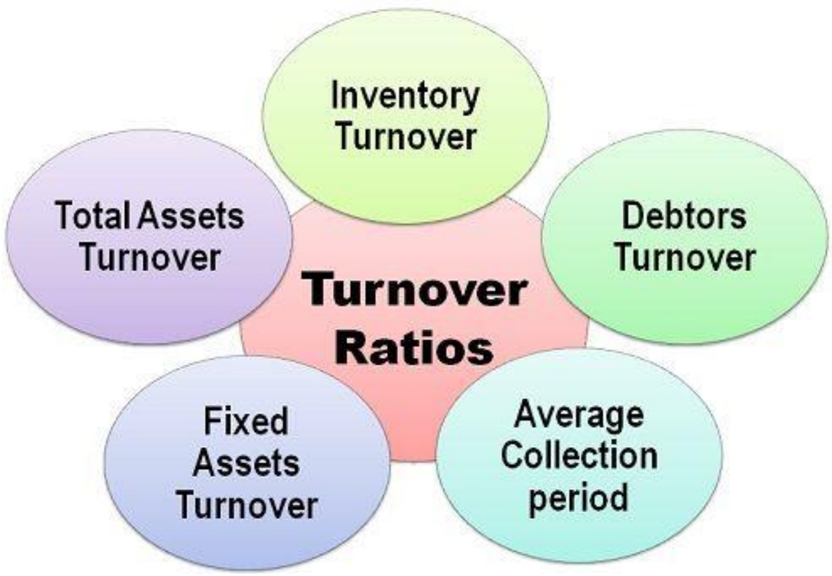
1		Which features of an Annual Report should one read carefully?	U
2		What is meant by an Annual Report? State its features.	MD
3		Calculate the value of deposit of < 10,000 made today, 2 years hence if the interest rate is 10%. (Discrete Compounding)	H
4		Write the term Authorised Capital, Issued Capital and Subscribed Capital?	U
5		What is Meant by Application of Funds?	MD
D		**Long Answer Questions LSA (5 Marks)**	**Level**
1		What is meant by a 'Balance Sheet'? List any three items each of assets and liabilities that are shown in the Balance Sheet of company.	MD
2		What do terms like authorized, issued, subscribed, called up and paid up capital mean?	C

CHAPTER 10: RATIO ANALYSIS

Liquidity Ratios

$$\text{Current Ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$$

$$\text{Quick Ratio} = \frac{\text{Current assets} - \text{Inventory}}{\text{Current liabilities}}$$



$$\text{Inventory Turnover Ratio} = \frac{\text{Cost of goods sold (COGS)}}{\text{Average Inventory}}$$

$$\text{Asset Turnover Ratio Formula} = \frac{\text{Net Sales}}{\text{Average Total Assets}}$$

$$\text{Debters' Turnover Ratio} = \frac{\textit{Net Credit Sales}}{\textit{Average Accounts Receivable (Debtors)}}$$

$$\text{Average Collection Period} = \frac{\textit{Average Debtors}}{\textit{Average Daily Credit Sales}}$$

$$\text{Average Collection Period} = \frac{\textit{365 Days}}{\textit{Debtors Turnover}}$$

$$\text{Fixed Assets turnover ratio} = \frac{\textit{Net Sales}}{\textit{Net Fixed Assets}}$$

$$\textbf{Asset Turnover Ratio} = \frac{\textbf{Net Sales}}{\textbf{Average Total Assets}}$$

Leverage/Capital structure Ratios:

$$\text{Debt-Equity Ratio} = \frac{\textit{Total Debt}}{\textit{Total Equity}}$$

$$\text{Debt-Asset Ratio} = \frac{\textit{Total Debt}}{\textit{Total Assets}}$$

$$\text{Interest Coverage Ratio} = \frac{\textit{Earnings Before Interest and Taxes}}{\textit{Interest}}$$

$$\frac{\textit{Profit after tax} + \textit{Depreciation} + \textit{Other Non cash Expenditure} + \textit{Interest on term loan}}{\textit{Interest on Term Loan} + \textit{Repayment of term loan}}$$

Profitability Ratios:

profitability ratios:

(i) Gross Profit Ratio (%) = $\frac{Gross\ Profit}{Net\ Sales} * 100$

(ii) Net Profit Ratio (%) = $\frac{Net\ Profit}{Net\ Sales} * 100$

Some of the profitability ratios related to investments are:

(iii) Return on Total Assets = $\frac{Profit\ Before\ Interest\ and\ Tax}{Fixed\ Assets + Current\ Assets}$

(iv) Return on Capital Employed = $\frac{Net\ Profit\ after\ Tax}{Total\ Capital\ Employed}$

(Here, Total Capital Employed = Total Fixed Assets + Current Assets -Current Liabilities)

(v) Return on Shareholders' Equity = $\frac{Net\ Profit\ after\ Tax}{Average\ Total\ Shareholders\ Equity\ or\ Net\ Worth}$

(Net worth includes Shareholders' equity capital plus reserves and surplus)

EPS = $\frac{Net\ Profit\ Available\ to\ the\ Shareholder}{Number\ of\ Ordinary\ Shares\ Outstanding}$

(ii) Price-Earnings Ratios = P/E Ratio = $\frac{Marketer\ ice\ per\ Share}{EPS}$

PRACTICE QUESTIONS

Q1. Write formulas and uses of the following Liquidity Ratio :
(a) Current Ratio (b) Acid Test Ratio (c) Inventory Turnover Ratio

Q2. How to analyse a company systematically ?

Q3. Give the formula for calculating the Gross Profit Ratio.

Q4. What does Current Ratio indicate ? Find the Current Ratio if Current Assets are < 1,25,000 and Current Liabilities are < 70,000.

Q5 How do you find P/E ratio?

Q6. Describe any three Formulas of Liquidity Ratio?

Q7. Calculate Current Ratio from the following information:
Particulars Amount (Rs.)
Inventories- 50,000
Bill Receivable -50,000
Advance Tax -4,000
Cash 30,000
Bill Payable 1,00,000
Bank Overdraft 4,000. Calculate current assets, current liabilities and current ratio.

Q9. What is meant by 'Profitability Ratios' ? Give any two examples of profitability ratio.

Q10.

Calculate EPS of the Following :

Particulars	₹
70,000 equity shares of ₹ 10 each	7,00,00
Net Profit after tax but before dividend	0
Market Price of a share	1,75,00
Dividend Declared @ 15%	0
	13