

## Tutorial 3 (Week 4) : Financial Ratios

- (a) Identify a current asset account that might require adjustment before annual financial statements can be prepared. What would the effect on the consolidated income statement be if this asset account was not adjusted?
- (b) Identify a current liability account that might require adjustment before annual financial statements can be prepared. What would the effect on the consolidated income statement be if this liability account was not adjusted?
- (c) Calculate the following financial ratios of SBS Transit for the year 2024 *and* 2023:  
(round your answers to 3 decimal places)
- Net Profit Margin
  - Return on Assets (ROA)
  - Debt Ratio

*Note: You will need to search for and extract the necessary 2022 financial figures to calculate your ratios for 2023. (Hint: Look for the 2023 or 2022 annual reports online)*

- (d) Based on the three ratios calculated in part (b) above, what do you think about SBS Transit's performance in 2024 as compared to 2023 in terms of its profitability and leverage?

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~ End of Tutorial 3 ~