**Year 11 Accounting and Finance Exam Specifications Sheet**

**RATIO FORMULAS**

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| Current Ratio or  Working Capital | *Current Assets*  *Current Liabilities* | |
| Quick Asset Ratio | *Current Assets – (Inventory + Prepayments)*  *Current Liabilities – Bank Overdraft* | |
| Debt to Equity Ratio | *Total Liabilities*  *Total Equity (End)* | |
| Gross Profit Ratio | *Gross Profit*  *Net Sales* | |
| Profit Ratio | *Profit*  *Net Sales* | |
| Expense Ratio | | *Operating Expenses*  *Net Sales* |
| Rate of Return on Assets | | *Profit*  *Average Total Assets* |