

**Table 4.15 – ROC test results for 3 typical ratios**

Variables	Variable-Groups	Area under curve	Std. error	Asymptotic 95% Confidence Interval	
				Lower Bound	Upper Bound
NetProfit/Equity	<i>ROE-BADGOOD</i>	0.593	0.043	0.508	0.677
Interest Expenses/Liabilities	<i>IEONLIAB-BADGOOD</i>	0.608	0.036	0.538	0.679
Inventories/Total Assets	<i>V110A-BADGOOD</i>	0.598	0.038	0.522	0.673