

# ASSIGNMENT - 3

## Profit and Loss :-

Sales	1000
<u>Less:-</u>	
Cost Manufacturing	300
Administration	100
Sales & Distribution	200
EBITDA / operating profit	<u>400</u>
<u>Less:-</u>	
Depreciation	60
Interest	60
Taxes	120
Net profit	<u><u>160</u></u>

$$\begin{array}{r}
 \text{EBITDA } 400 \\
 \text{DA } - 60 \\
 \hline
 \text{EBIT } 340
 \end{array}$$

## Balance sheet

Assets		Liabilities	
Depreciation value of long term Debt	800	Share holder equity	100
Investment	100	Reserve & Surplus	400
<u>Current assets</u>		Loan	500
Acc Receivable	300	<u>Current Liabilities</u>	
Inventory	200	Acc payables	400
Cash and Bank Balance	100	short term loan	100
	<u><u>1500</u></u>		<u><u>1500</u></u>

## Profitability Ratio :-

### Operating profit margin

$$= \frac{\text{Operating profit}}{\text{Sales}} \times 100$$

$$= \frac{400}{1000} \times 100$$

$$= 40\%$$

### Net profit margin

$$= \frac{\text{Net profit}}{\text{Sales}} \times 100$$

$$= \frac{160}{1000} \times 100$$

$$= 16\%$$

## Return Ratio :-

### Return of Capital Employed: **Employed.**

$$= \frac{\text{EBIT}}{\text{S+F+L}}$$

$$= \frac{60}{1100} \times 100$$

$$= 5.45\%$$

$$= \frac{340}{1100}$$

$$= 30.90\%$$

### Return of long term Assets

$$= \frac{\text{EBIT}}{\text{LTA}}$$

$$= \frac{60}{800} \times 100$$

$$= 7.5\%$$

$$= \frac{340}{800}$$

$$= 42.5\%$$



Return of Networth:-

$$= \frac{\text{Netprofit}}{\text{SHF}}$$

$$= \frac{160}{500} \times 100$$

$$= 32\%$$

Coverage Ratio:-

Interest Coverage Ratio:-

$$= \frac{\text{EBIT}}{\text{Interest}}$$

$$= \frac{60}{60}$$

$$= 1$$

Net debt to EBITDA

$$= \frac{\text{Total Debt} - \text{Cash and Cash Equivalents}}{\text{EBITDA}}$$

$$= \frac{600}{180}$$

$$= 3.33$$

Stability Ratio:-

Debt Equity Ratio :

$$= \frac{\text{Total Debt}}{\text{Equity}}$$

$$= \frac{600}{500}$$

$$= 1.2$$

Long term Debt Equity Ratio:

$$= \frac{\text{Long term Debt}}{\text{Equity}}$$

$$= \frac{500}{500}$$

$$= 1$$

Liquidity Ratio:

Current Ratio:

$$= \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

$$= \frac{600}{500}$$

$$= 1.2$$

Quick Ratio:

$$= \frac{\text{Current Assets} - \text{Inventory}}{\text{Current Liabilities}}$$

$$= \frac{400}{500}$$

$$= 0.8$$

Dupont analysis

$$\frac{\text{Net profit}}{\text{Sales}} \times \frac{\text{Sales}}{\text{Asset}} \times \frac{\text{Asset}}{\text{Equity (SHF)}}$$



Dupont Analysis :

$$= \frac{\text{Netprofit}}{\text{Sales}} \times \frac{\text{Sales}}{\text{Assets}} \times \frac{\text{Assets}}{\text{Equity}}$$

$$= \frac{160}{1000} \times \frac{1000}{1500} \times \frac{1500}{500}$$

$$= 32\%$$

*Return*

*Efficiency  
value?*