

Statement Balance Sheet

Particulars

₹

Asset

Depreciation value of property

200

Land & Bldg

1000

Investment

Current Asset

Account Receivable

3000

Inventory

4000

Cash & Bank Balance Total

1500

Liability

Shareholder's equity

1000

Capital

4000

Reserves

3000

Loans

Current Liabilities

Account payable

4000

Short term loans

1000

1500

Profit & Loss Account

Particulars	Rs.
Sales	1000
less: Cost	
Manufacturing	
Administrative	300
Sales & Distribution	100
EBITDA OR Operating Profit	200
less:	<u>400</u>
Depreciation	
Interest	60
Taxes	60
Net Profit	120
	<u>160</u>

Ans:

Profitability Ratio.

$$\text{Operating Profit Margin} = \frac{\text{EBITDA}}{\text{Sales}} \times 100$$

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

$$= 0.4 \times 100$$

$$\text{Operating profit Margin} = 40\%$$

$$\text{Net Profit Margin} = \frac{\text{Net Profit}}{\text{Sales}}$$

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

$$= 0.16 \times 100$$

Return Ratio :

$$\text{Return of capital employed} = \frac{\text{EBIT}}{\text{S\&F H\&C}} \times 100$$

$$\begin{aligned}\text{Return of Long term Asset} &= 0.425 \times 100 \\ &= 42.5\%\end{aligned}$$

$$\text{Return of Net worth} = \frac{\text{Net Profit}}{\text{S\&C + R\&S}} \times 100$$

$$= \frac{160}{100 + 400} \times 100$$

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

$$= 32\%$$

Coverage ratio :

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

$$= \frac{340}{60}$$

$$= 5.66$$

$$\begin{aligned}\text{Net Debit to EBITDA} &= \text{Total Debit} \\ &\quad - \text{Cash \& cash} \\ &\quad \text{equivalent}\end{aligned}$$

$$\text{EBITDA}$$

$$= 600 - 100$$

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

$$\text{Net Debit to EBITDA} = 1.25$$

Stability Ratio

$$\text{Debit Equity Ratio} = \text{Total Debit} / \text{Equity}$$

$$= 600 / 500$$

$$\text{Debit equity ratio} = 1.2$$

$$\text{Long term Debt equity Ratio} = \text{Long term Debt} / \text{equity}$$

$$\text{Long term Debt equity ratio} = 500 / 600$$

Liquidity Ratio

$$\text{Current Ratio} = \text{C/A} / \text{C/L}$$

$$= 600 / 300$$

$$\text{Current Ratio} = 1.2$$

$$\text{Quick Ratio} = \frac{\text{Current Asset} + \text{Inventory}}{\text{Current Liabilities}}$$

$$= 500 + 100$$

$$400$$

$$= 400 / 500$$

$$\text{Quick Ratio} = 0.8$$

Efficiency ratio?

Dupont Analysis

$$= \frac{\text{Net Profit}}{\text{Sales}} \times \frac{\text{Sales}}{\text{Asset}} \times \frac{\text{Asset}}{\text{equity}}$$

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

$$= 160 / 500 = 32\%$$