

Assignment - 03

Balance Sheet

Particular	₹.
Asset:	
De Preciation Value of long	200
long Asset	100
Investment	
Current Asset	
A/c Receivable	300
Inventory	200
	<hr/>
Cash & Bank Balance total,	1500
Liabilities	
Shareholder's Equity	100
Capital	100
R & Surplus	300
Current liabilities	
Account Payable	400
Short term loans	100
	<hr/>
	1500

Profit and loss Account

Particular	₹.
Sale	1000
Cost	
Manufacture	200
Administration	100
Selling & Distribution	200
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EBITDA OR OPERATING Profit	400
Depreciation	60
Interest	60
Tax	120
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	160

Ans.

Profitability Ratio:-

$$\text{Operating Profit margin} = \frac{\text{EBITDA}}{\text{Sale}} \times 100$$
$$= \frac{400}{1000} \times 100$$

$$= 0.4 \times 100$$

$$\text{Operating Profit margin} = 40\%$$

$$\text{Net Profit margin} = \frac{\text{net Profit}}{\text{sale}}$$

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

$$= 0.16$$

Return Ratio:-

$$\text{Return of capital employed} = \frac{\text{EBIT}}{\text{SCE}} \times 100$$

$$\text{Return of long term assets} = 0.425 \times 100$$

$$= 42.5\%$$

$$\text{Return of net worth} = \frac{\text{Net Profit}}{\text{SCE}} \times 100$$

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

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

$$= 32\%$$

Coverage Ratio:-

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

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

$$= 5.66$$

$$\text{Net Debt to EBITDA} = \frac{\text{Total Debt} - \text{cash \& cash equivalent}}{\text{EBITDA}}$$

$$= \frac{600 - 100}{400}$$

$$= 500/400$$

$$\text{Net Debt to EBITDA} = 1.25 \times$$

Stability Ratio

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

$$= 600/500$$

$$\text{Debt Equity ratio} = 2$$

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

$$= 500/500$$

$$\text{Long term Debt Eq ratio} = 1$$

Liquidity ratio

$$\text{Current Ratio} = \frac{\text{CA}}{\text{CL}}$$

$$= \frac{600}{500} = 1.2$$

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

$$\text{Quick ratio} = \frac{\text{Current Asset} - \text{Inventory}}{\text{Current Liabilities}}$$

$$= \frac{500 - 100}{500}$$

$$= 400/500$$

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

Debt Analysis

$$= \frac{\text{Net Profit}}{\text{Sales}} \times \frac{\text{Sales}}{\text{Assets}} \times \frac{\text{Assets}}{\text{Equity}}$$

$$= \frac{100}{1000} \times \frac{1000}{1500} \times \frac{1500}{500}$$

$$= \frac{100}{500} = 32\%$$