Assignment-5 1) What is Dupont Analysis Dupont Analysis is a method of analyzing a Company's financial Performance by bredking down it return on equily (ROE) into three Key Components 1. Propotability (neet Income/Sales) 2. Efficiency (Sorles Motal Asset) 3. Leverage (Total Asset/Shoreholder's equity) Pormula socios & lossicolos dillo ROFE: (neet Income/Soles) X (soles X Total Assets) X
(Total Asset 1 Shoreholden equity) This analysis help identify area cubere -Company Can impyle it performent Such as: Denenegaring Profitability throught Can't reduction or Pricing Atratez. in) Enhancing efficiency by better cuitizing
in) ephimizing believery by moneging debt and cursetequits Cevel. Depont Bralesis Provide a Comprehensive Wen of a Company 'financial health and helps incenter analysts and Managers

Make informed decesion Exampl: 20 bottom a a applicated trapped of total Company 742 has Net income = \$100,000 Sales = \$500,000 Total Assets = \$750,000 Shoreholden equils = \$ 250,000 Using Depont Bralysis 1. Profitability = \$100,000/9500,000 = 20%. 2. Efficiency : \$500,000/\$750,000 : 66.2% 3. Leuroge = 9750,000 / \$250,000 = 3 DOE = 207 × 66.7.1- × 3/40% This means Company 892 POE is 40% claiver by its Profiteboilites efficiency and toward in the control of the control of the The 1999 introduct by the many by include (!! regard Brategio Provide a Comprehensies view of a Congression Sincerial Realth and long invalue and realth and Wasseyn