

MBA 511

Chapter 01

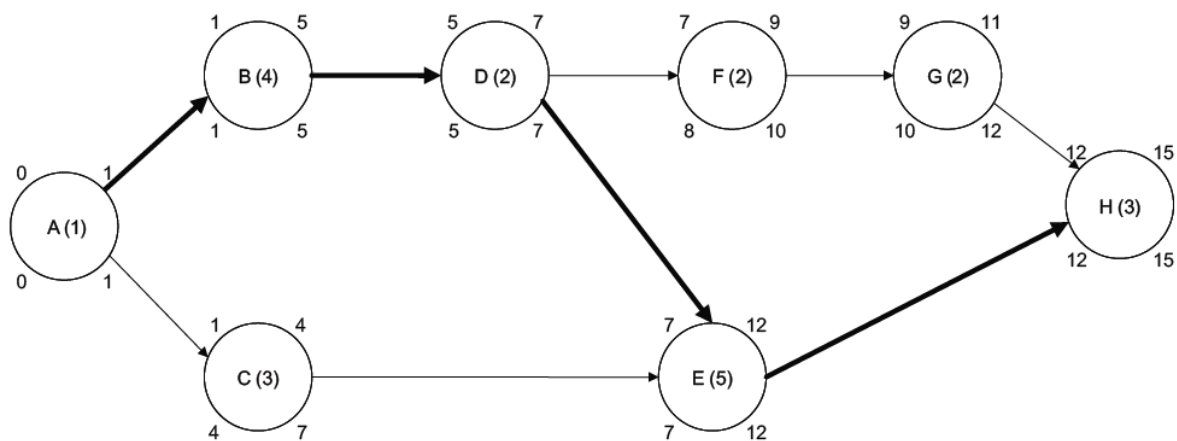
$$\text{Receivable Turnover} = \frac{\text{Annual Credit Sales}}{\text{Average Account Receivable}}$$

$$\text{Inventory Turnover} = \frac{\text{Cost of Goods Sold}}{\text{Average Inventory Value}}$$

$$\text{Asset Turnover} = \frac{\text{Revenue (or Sales)}}{\text{Total Assets}}$$

Quicker payments will reduce the average amount of accounts receivables, so the receivables turnover ratio will increase.

Chapter 4



Calculating averages

A simple moving average

$$X_1W_1 + X_2W_2 + X_3W_3 + \dots + X_nW_n$$

Where $\sum_{n} W_n = 1$