	/ Financial Statement Analysis
ers erije	Techniques
- 1	Ratio Analysis
	and the second of the second of the
[1]	Activity Ratios
[2]	Liquility Ratios
[3]	Profitability Ratios
_	
[]	Salveney Ratios Valuation Ratios
国	Activity Ration
[a]	Inventory turnover = Costs of Goods Sold = Times. A verge Inventory = Times.
[6]	Flighteral Laldina DOT and -
	V V V (\(\lambda \) \(\lambda \) \(\lambda \)
0	Receivable turnosser = Credit Sales
	Receivable twonoseer = Credit Sales Average Accounts Receivable Average Callection Period = Accounts Receivable Days Sales Outstanding The less The Messer better Accounts Receivable Accounts Receivables Twonoseer Accounts Receivables Twonoseer The less
a	Average Callection Period: 365
	Days Sales Outstanding Resunts Receivables Twinoner
-1	beelin
	better

10 Pa	yable Twonover = Cored	lit Ruechare = The
	Aven	ye Accounts Payable lawers in belter
El Pa	λ Λ	363
	period Payor	ble Turnsver = The more better
1 N	Parking Capital Twonone	
,		
Na	et Sales = Sales - COGS · C. = Current Asset	Elisten handist
w	· C. = Current Asset	I in play the Kalin.
囚 Fix	sed Asset Turnover = -	Sales Average Féreal Asset
Han	· effective efficiently com	parmy uses its fixed assets to
orena	erate sales revenue. Hi	gher tevenover indicates more
affi	we of fixed asse	et.
il Total	al Asset Turnover =	Sales Tt. D. D. v. et
	11	Total Asset
_		The higher the rentio, the greater of the by diquidity of the firm
12 6	eques.)	A I I I I I I I I I I I I I I I I I I I
ja (Curret, Roilie = C.A	
σ	2. 1. Otio = Cash + M	arketable Secutition + Receivables
101 6	with Knue Cash + 11	Carketable Securities
[c] C	arch Ratio = Cash + M	CL (called all a called a cal
TII C	ash Connecision Casele = The lower the better	- Average Callection Period +
100	The lower the better	Average Halding Periol -
		Pagable Déférent tériod
		Scanned by CamScanner

1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
It indicates total time required to generate cost for the firm
the from
13 Salveney Ratios
a Ocht le Asset Ratio = Total & Ocht The percentage of total asset
[6] Oebt to Equity Ratio = Total Debt The amount of debt capital Total Equity relative to equity capital [6] Oebt to Capital Ratio = Total Debt - Shareholders
C Debit to Capital Ratio = Total Debit
The percentage of exmpany's capital represented by debt! Equity
Financial leverage = Total Asset of the amount of total Total Equity arset supported by equity
Interest Coverage Ratio = Earning before Interest and Tax EBIT
The number of time compan's EBIT could cover J. P. Interest payment
The number of time compan's EBIT would cover J. P. Interest payment
The number of time compan's EBIT could cover J.P. Interest payment Fixed Charged Coverng = EBIT + Lease payment (Cash Inflow) Interest payment +/ case of
The number of time compan's EBST could cover J.P. Interest payment (Cash Inflow) Interest payment + Lease payment (Cash Inflow) [4] Profitability Ratios (Percentage) [2]
The number of time compan's EBST could cover J.P. Interest payment (Cash Inflow) Interest payment + Lease payment (Cash Inflow) [4] Profitability Ratios (Percentage) [2]
The number of time company's EBIT could cover J.P. Interest payment (Cash Inflow) The number of time company's EBIT to Leave payment (Cash Inflow) Interest payment + Leave payment (Cash outflow) (Cash outflow)
The number of time compay's EBIT could cover J.P. Interest payment Fixed Charged Conversor = EBIT + Leave payment (Cash Inflaw) Interest payment + Leave payment (Cash sulflow) El Gross Profit Margin = Gross profit Sales Wet profit Wet Porofit Margin = Net profit
The number of time compan's EBST could cover J.P. Interest payment (Cash Inflow) Interest payment + Lease payment (Cash Inflow) [4] Profitability Ratios (Percentage) [2]

Net income [d] Return of Assel (ROA) = the firm Total asset (E) Return an Equity (RUE) = Net income Total Equity Du-Pont- Analysis RUE = Net meama Total equity - Net income x Sales Total Asset x Total Asset Total Equity = Net profit Margin x Total Asset Turnover x Financial Leverage [51 Valuation Ratios Price per share Earnings per share P/E Ratio = Price per share El P/CF Ratio Cashflow per share CP/S Ratio = Price per share Sales per Share Price per share [d] P/Bu Ratio = . Book value perstare (e) Dividend pershare = Total Prividend No. of Saxes shares

Dividend Pargent Ratio = Total dividend

Net income

[3] Retention Ratio = Net income - Dividend

Net income

[4] Sustainable granth rate = 6 × ROE

* Capital Adequacy Ratio = Various Components of Capital

[5] Banki | Risk weighted asset