

# FINANCIAL STATEMENTS

## LEARNING OUTCOME

- Describe overall about financial statement;
- Describe information provided by the balance sheet;
- Compare types of assets, liabilities, and equity;
- Describe information provided by the income statement;
- Describe information provided by the cash flow statement;
- Identify and compare cash flow classifications of operating, investing, and financing activities;
- Explain links between the income statement, balance sheet, and cash flow statement;
- Explain the usefulness of ratio analysis for financial statements;
- Identify and interpret ratios used to analysis a company's liquidity, profitability, financing, shareholder return, and shareholder value.

# I. Introduction

## Financial Statements

### Purpose

Show the financial performance of a company

### Classification

The balance sheet

The income statement

The cash flow statement

Notes to the financial statements

### Main users

Investor

Get informations for  
investment decisions

Employees

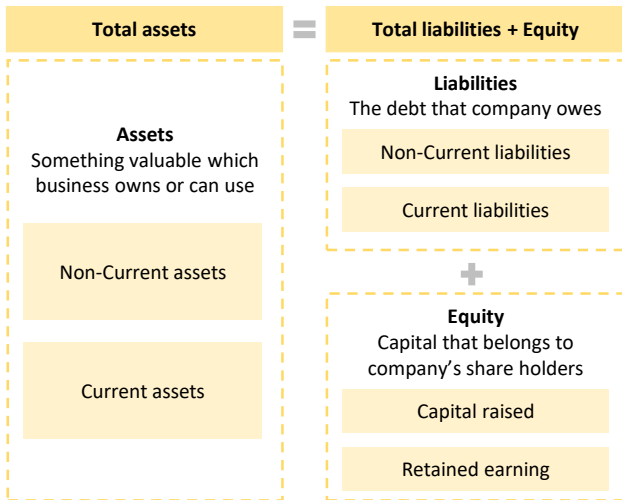
Get information for job  
security

Board of director

Get information for making  
strategy

## II. Financial Statements

### 1. The balance sheet



**The balance sheet** provides information about the **company's financial position** at a **specific point in time**

## II. Financial Statements

### 1. The balance sheet

#### Current Assets

- Assets that company expects to convert to cash or use up **within 1 year**
- Example: cash, investments, receivables, inventories and prepaid expenses.

#### ABC Company Balance Sheet December 31 2021

##### Current assets

Cash and cash equivalents	25
Accounts receivable	40
Inventories	100
<b>Total current assets</b>	<b>165</b>

## II. Financial Statements

### 1. The balance sheet

#### Non-current assets

- Non-current assets are a company's **long-term investments** for which the full value will **not** be realized within the **accounting year**.
- Depreciation/ Amortisation =  $\frac{\text{Cost of assets} - \text{Residual value}}{\text{Expected useful life (years)}}$
- Example: property, plant, equipment, intangible assets

#### ABC Company Balance Sheet December 31 2021

##### *Non-current assets*

Building and building improvements	200
Land	100
<i>Total Property, Plant, and Equipment</i>	<b>300</b>
Trademarks	100
<i>Total Intangible assets</i>	<b>100</b>
<b>Total Non-current assets</b>	<b>400</b>

## II. Financial Statements

### 1. The balance sheet

#### Current liabilities

- **The financial obligations** of a company that are **expected** to be settled within **one year**.
- Examples of current liabilities include payables, short-term debt, tax payables.

#### ABC Company Balance Sheet December 31 2019

##### Current liabilities

Account payable	2,012
Short-term debt	2,549
Income tax payable	240
<b>Total current liabilities</b>	<b>4,801</b>

## II. Financial Statements

### 1. The balance sheet

#### Non - Current liabilities

- **The financial obligations** of a company that are **not expected** to be settled within **one year**.
- Examples of non-current liabilities include long-term leases, bonds payable, and deferred tax liabilities.

#### ABC Company Balance Sheet December 31 2019

##### Long-term liabilities

Bonds payable	1,106
Notes payable	51
Deferred income taxes and other	1,544
<b>Total long-term liabilities</b>	<b>2,701</b>



## II. Financial Statements

### 1. The balance sheet

#### Shareholders' Equity

The **remaining amount of assets** available to shareholders after all liabilities have been paid.

#### Capital raised (Contributed capital)

the investment of assets into the business by stockholders

#### Retained earning

the amount of net income left over for business after paying out dividends to shareholders

#### ABC Company Balance Sheet December 31 2019

#### Stock holders' equity

Equity from common shares	7,000
Equity from preferred shares	7,000
Retained earnings	20,500
<b>Total stockholders' equity</b>	<b>34,500</b>

## II. Financial Statements

### 1. The balance sheet

#### ABC Company Balance Sheet

As of 31 December	2021	2020
<i>Assets</i>		
Cash	25	16
Account receivable	40	35
Inventories	100	95
<b>Total current assets</b>	<b>165</b>	<b>146</b>
Property, plant and equipment	300	250
Intangible assets	100	100
<b>Total non-current assets</b>	<b><u>400</u></b>	<b><u>350</u></b>
<b>Total assets</b>	<b><u>565</u></b>	<b><u>496</u></b>
<i>Liabilities and Equity</i>		
Account payable	100	96
<b>Total current liabilities</b>	<b>100</b>	<b>96</b>
Long-term debt	232	200
<b>Total non-current liabilities</b>	<b>232</b>	<b>200</b>
Common stock	85	85
Retained earnings	148	115
<b>Total owners' equity</b>	<b><u>233</u></b>	<b><u>200</u></b>
<b>Total liabilities and equity</b>	<b><u>565</u></b>	<b><u>496</u></b>

## II. Financial Statements

### 2. The Income Statement

Income statement identifies the **profit or loss** generated by a company **by subtracting expenses from revenue** during a period.

<b>Revenues</b>	Earning from the company's operation, including selling goods and services
<b>Cost of sales</b>	<b>The costs occur when</b> producing goods or services (e.g: direct labor, materials, overhead)
<b>Gross Profit</b>	<b>Gross Profit = Revenues – Cost of sales</b>
<b>Operating Expense</b>	The <b>expense</b> for performing its normal <b>business operations</b> (e.g: rent, salaries,...)
<b>Operating Income</b>	<b>Operating income</b> <b>= Gross Profit – Operating expense</b>
<b>Income Tax</b>	The <b>tax</b> imposed on business's <b>income</b> that has to be paid to governance
<b>Net Income</b>	<b>Net income = Operating income – Income tax</b> Net income is partly paid to shareholders (pay dividend), the rest is added to retained earning

## II. Financial Statements

### 2. The Income Statement

#### ABC Company Income Statement

For the year ending December 31, 2021

Revenues	650
Cost of sales	<u>(450)</u>
Gross profit	200
Operating expenses	<u>(90)</u>
Operating income	110
Income taxes	<u>(34)</u>
<b>Net income</b>	<b><u>76</u></b>

*Additional information:*

Dividends paid to shareholders  
 Addition to retained earning

↓  
43  
33

*Example of Income Statement*

## II. Financial Statements

### 3. The cash flow statement

Cash flow from  
Operating Activities



Cash flow from  
Investing Activities



Cash flow from  
Financing Activities



#### Statement of Cash Flow

Identifies the **sources** of cash, **uses of cash** during a period and explains **the change in the company's cash** balance reported on the balance sheet.

## II. Financial Statements

### 3. The cash flow statement

#### Cash inflow

- Sales of goods and service
- Receive payment from credit customer



#### Cash outflow

- Purchases
- Selling and general expenses
- Tax expense



#### Cash flows from operating activities

Reflect the cash generated from a company's operations, its main profit-creating activity

#### ABC Company Statement Of Cash Flow For the year ending Dec. 31, 2021

##### Operating activities

Cash receipts from customer	76
Cash paid to suppliers and employees	(35)
Cash generated from operation	41
Income tax paid	<u>(10)</u>
<b>Net cash flow from operating activities</b>	<b>31</b>

## II. Financial Statements

### 3. The cash flow statement

#### Cash inflow

- Sales of PPE
- Sales of securities



#### Cash outflow

- Purchases of PPE
- Purchases of securities



#### Cash flows from investing activities

Reflect the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

#### ABC Company Statement Of Cash Flow For the year ending Dec. 31, 2021

##### *Investment activities*

Less: investment in property, plant, and equipment	(90)
Net cash flow used in investing activities	(90)

## II. Financial Statements

### 3. The cash flow statement

#### Cash inflow

- Long-term borrowing
- Issue shares in cash



#### Cash outflow

- Payment of loan, interests
- Payment of dividends



#### Cash flows from financing activities

Are cash inflows resulting from raising new capital (an increase in borrowing and/or issuance of shares) and cash outflows for payment of dividends, repayment of debt, or repurchase of shares

#### ABC Company Statement Of Cash Flow For the year ending Dec. 31, 2021

#### Financing activities

Cash inflow from borrowing (long-term debt)	32
Cash inflow from new share issues	0
Minus dividends paid to shareholders	<u>(43)</u>
<b>Net cash flow used in financing activities</b>	<b>(11)</b>



## II. Financial Statements

### 3. The cash flow statement

#### ABC Company Statement Of Cash Flow For the year ending Dec. 31, 2021

##### **Operating activities**

Cash receipts from customer	76
Cash paid to suppliers and employees	<u>(35)</u>
Cash generated from operation	41
Income tax paid	<u>(10)</u>
<b>Net cash flow from operating activities</b>	<b>31</b>

##### **Investment activities**

Minus investment in property, plant, and equipment	(90)
<b>Net cash flow used in investing activities</b>	<b>(90)</b>

##### **Financing activities**

Cash inflow from borrowing (long-term debt)	32
Minus dividends paid to shareholders	<u>(43)</u>
<b>Net cash flow used in financing activities</b>	<b>(11)</b>

Net increase (decrease) in cash	(70)
Beginning cash	16
Ending cash	(54)

## II. Financial Statements

### 4. Links between Financial Statements

#### Income Statement and Statement of Cash Flow

##### ABC Company Income Statement

Revenues	650
Cost of sales	<u>(450)</u>
Gross profit	200
Other operating expenses	(90)
Operating income	110
Income taxes	<u>(34)</u>
<b>Net income</b>	<b><u>76</u></b>

##### *Additional information:*

Dividends paid to shareholders	<b>43</b>
Addition to retained earning	33

The **net income** generated from selling goods (**\$76 million**) is shown in the starting point of the Statement of cash flow.

The **dividend paid to shareholders (\$43 million)** is shown in the Cash flow statement as cash outflow in Financing activities

##### ABC Company Statement Of Cash Flow

##### Operating activities

Net Income	<b>76</b>
Less: increase in account receivable	(5)
Less: increase in inventories	(5)
Add: increase in account payable	4
<b>Net cash flow from operating activities</b>	<b>70</b>

##### Financing activities

Cash inflow from borrowing	32
Less: dividends paid to shareholders	<b>(43)</b>
<b>Net cash flow from financing activities</b>	<b>(11)</b>

## II. Financial Statements

### 4. Links between Financial Statements

#### Balance sheet and Statement of Cash Flow

##### ABC Company Balance Sheet

As of 31 December	2021	2020
Cash	25	16
Account receivables	40	35
Inventory	100	95
Non-current assets	400	350
<b>Total assets</b>	<b>565</b>	<b>496</b>
Account payables	100	96
Long-term debt	232	200
Owners' equity	233	200
<b>Total liabilities and equity</b>	<b>565</b>	<b>496</b>

In the balance sheet, cash increase from 2020 to 2021 is **\$9 mil** (\$25 mil - \$16 mil). This is shown in the statement of cash flow (SoCF) as *Net increase in cash*

Receivables increases by \$5, from \$35 to \$40. Business sold goods to customers but has not received cash yet, so \$5 million has to be deducted in the SoCF

Inventory increases from \$95 to \$100 mil. The company purchased \$5 mil of goods, this leads to cash outflow.

##### ABC Company Statement Of Cash Flow

Net increase (decrease) in cash	9
<b>Operating activities</b>	
Net Income	76
Less: increase in account receivable	(5)
Less: increase in inventories	(5)
Add: increase in account payable	4
<b>Net cash flow from operating activities</b>	<b>70</b>
<b>Financing activities</b>	
Cash inflow from borrowing	32
Less: dividends paid to shareholders	(43)
<b>Net cash flow from financing activities</b>	<b>(11)</b>

## II. Financial Statements

### 4. Links between Financial Statements

#### Balance sheet and Statement of Cash Flow

##### ABC Company Balance Sheet

As of 31 December	2021	2020
Cash	25	16
Account receivables	40	35
Inventory	100	95
Non-current assets	400	350
<b>Total assets</b>	<b>565</b>	<b>496</b>
Account payables	100	96
Long-term debt	232	200
Owners' equity	233	200
<b>Total liabilities and equity</b>	<b>565</b>	<b>496</b>

In the balance sheet, account payables increases **from \$96 to \$100 million** in 2021. Business purchased goods but has not paid yet, so there is \$4 million increasing in cash in the SoCF

##### ABC Company Statement Of Cash Flow

Net increase (decrease) in cash	9
<b>Operating activities</b>	
Net Income	76
Less: increase in account receivable	(5)
Less: increase in inventories	(5)
Add: increase in account payable	4
<b>Net cash flow from operating activities</b>	<b>70</b>
<b>Financing activities</b>	
Cash inflow from borrowing	32
Less: dividends paid to shareholders	(43)
<b>Net cash flow from financing activities</b>	<b>(11)</b>

In the balance sheet, debt increase **from \$200 to \$232 million** in 2021. Cash inflow of **\$32 mil** because the business borrow more \$32 mil

## II. Financial Statements

### 4. Links between Financial Statements

#### Balance sheet and Income statement

##### ABC Company Income Statement

Revenues	650
Cost of sales	<u>(450)</u>
Gross profit	200
Other operating expenses	(90)
Operating income	110
Income taxes	<u>(34)</u>
<b>Net income</b>	<b><u>76</u></b>

##### Additional information:

Dividends paid to shareholders	43
Addition to retained earning	<b>33</b>

- The **net income** for the year is **\$76** million.
- **\$43** million of it is the **dividend paid** to shareholders
- The rest of **\$33** million (\$76 - \$43) is added to **retained earning**

##### ABC Company Balance Sheet

As of 31 December	2021	2020
<b>Asset</b>		
<b>Total assets</b>	<b>565</b>	<b>496</b>
<b>Liabilities and Equity</b>		
Total liabilities	<b>332</b>	<b>296</b>
Common stock	85	85
Retained earnings	<b>148</b>	<b>115</b>
Total owners' equity	<b>232</b>	<b>200</b>
<b>Total liabilities and equity</b>	<b>565</b>	<b>496</b>

On the balance sheet, **retained earning** increases by **\$33** million, **from \$115 to \$148** in 2021

## II. Financial Statements

### Vocabulary

Vocabulary	Meaning
Asset	Tài sản
Balance Sheet	Bảng cân đối kế toán
Board of Director	Hội đồng quản trị
Cash Flow Statement	Báo cáo lưu chuyển tiền tệ
Common stock	Cổ phiếu phổ thông
Copyright	Quyền tác giả
Current asset	Tài sản ngắn hạn (Tài sản lưu động)
Dividend per share	Cổ tức trên mỗi cổ phiếu
Depreciation/ Amortisation	Khấu hao tài sản hữu hình/vô hình

## II. Financial Statements

### Vocabulary

Vocabulary	Meaning
Earnings per share	Thu nhập trên mỗi cổ phiếu
Equity	Vốn chủ sở hữu
Expenses	Chi phí
Fair value	Giá trị hợp lý
Goodwill	Lợi thế thương mại
Gross profit	Lợi nhuận gộp
Historical cost	Giá gốc
Intangible asset	Tài sản vô hình
Liability	Nợ phải trả
Net income	Thu nhập ròng

## II. Financial Statements

### Vocabulary

Vocabulary	Meaning
Non-current asset	Tài sản dài hạn
Operating income	Thu nhập hoạt động
Patent	Bằng sáng chế
Prepaid expense	Chi phí trả trước
Residual value	Giá trị thanh lý
Retained earning	Lợi nhuận giữ lại
Revenue	Doanh thu
Income Statement	Báo cáo kết quả hoạt động kinh doanh
Trademark	Nhãn hiệu
Wage	Tiền công



# III. Financial Statement Analysis

## Overview

Financial Statement shows the financial performance of a company. However, it is difficult to use those figures to evaluate business performance over time and compare it with other companies because each company has different characteristics.

### Usage of Financial ratio

Using financial ratio instead of raw financial data to get **more relevant information** and better understand of **relationship between components** (ex: net income and revenues,...) of financial statements to **evaluate performance**

### 4 basic types of financial ratios

#### Liquidity ratio

Used to assess a business's ability to pay its outstanding obligations in the short term

#### Debt and Equity ratio

Used to evaluate how much leverage a company is using

#### Profitability ratio

Used to assess a business's ability to generate earning, related to revenues and costs

#### Return Ratio

Used to represent a company's ability to generate returns for its shareholders

## III. Financial Statement Analysis

### 1. Liquidity ratio

	Definition	Equation
<b>Current ratio</b>	Measures the <b>current assets</b> available to cover one unit of <b>current liabilities</b>	$\text{Current ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$
<b>Quick ratio</b>	A better <b>indicator</b> than the current ratio of what would <b>happen</b> if the <b>company</b> had to <b>settle with</b> all its creditors at short notice	$\text{Quick ratio} = \frac{\text{Current assets} - \text{Inventories}}{\text{Current liabilities}}$

## III. Financial Statement Analysis

### 1. Liquidity ratio

#### ABC Company Balance Sheet

**December 31.2021**

<i>Asset</i>	
Cash	25
Account receivables	40
Inventory	100
Total current assets	<b>165</b>
Total non-current assets	<b>400</b>
<b>Total assets</b>	<b><u>565</u></b>
<i>Liabilities and Equity</i>	
Account payables	100
Total current liabilities	<b>100</b>
Total non-current liabilities	<b>232</b>
Common stock	85
Retained earnings	148
Total owners' equity	<b>233</b>
<b>Total liabilities and equity</b>	<b><u>565</u></b>

#### Liquidity ratio example

##### ABC's Current Ratio

$$\frac{\text{Current assets}}{\text{Current liabilities}}$$

$$= \frac{165}{100} = 1.65$$

##### ABC's Quick Ratio

$$\frac{\text{Current assets} - \text{Inventories}}{\text{Current liabilities}}$$

$$= \frac{165 - 100}{100} = 0.65$$

ABC's current ratio of less than 2 and its quick ratio of less than 1 indicate that the company may have difficulties meeting its obligations in the short term.

# III. Financial Statement Analysis

## 2. Profitability Ratio

	Definition	Equation
<b>Net profit margin</b>	Measures the percentage of revenues that is profit — that is, <b>the percentage of revenues</b> left for the <b>shareholders</b> after all expenses have been accounted for.	Net profit margin $= \frac{\text{Net Income}}{\text{Revenues}}$
<b>Return on assets (ROA)</b>	Return on assets indicates <b>how much return</b> , as measured by net income, is generated <b>per monetary unit</b> invested in <b>total assets</b>	ROA $= \frac{\text{Net Income}}{\text{Total Assets}}$
<b>Basic earning power</b>	The basic earning power ratio compares <b>the profit</b> generated <b>from operations</b> with the <b>assets</b> used to generate that <b>income</b>	Basic earning power $= \frac{\text{Operating Income}}{\text{Total Assets}}$

# III. Financial Statement Analysis

## 2. Profitability Ratio

### Operating profit margin

Show **how good** the company is at controlling its expenses or the costs of generating its revenues.

$$\text{Operating profit margin} = \frac{\text{Operating Income}}{\text{Revenues}}$$

### Asset turnover

Is expressed as a multiple and **indicates the volume of revenues** being generated by the assets used in the business, or how **effectively** the company uses its **assets to generate revenues**

$$\text{Asset turnover} = \frac{\text{Revenues}}{\text{Total assets}}$$

# III. Financial Statement Analysis

## 2. Profitability Ratio

### ABC Company Income Statement

Revenues	650
Cost of sales	(450)
Gross profit	200
Other operating expenses	(90)
Operating income	110
Income taxes	(34)
<b>Net income</b>	<b>76</b>

### ABC Company Balance Sheet

Cash	25
Account receivables	40
Inventory	100
Total current assets	165
Total non-current assets	400
<b>Total assets</b>	<b>565</b>
Total current liabilities	100
Total non-current liabilities	232
Total owners' equity	233
<b>Total liabilities and equity</b>	<b>565</b>

### Profitability ratio example

#### ABC's Net Profit Margin

$$\frac{\text{Net Income}}{\text{Revenues}} = \frac{76}{650} = 11,69\%$$

#### ABC's Return On Asset

$$\frac{\text{Net Income}}{\text{Total assets}} = \frac{76}{565} = 13.45\%$$

#### ABC's Basic Earning Power

$$\frac{\text{Operating Income}}{\text{Total assets}} = \frac{110}{565}$$

$$= 19.47\%$$

# III. Financial Statement Analysis

## 2. Profitability Ratio

### ABC Company Income Statement

Revenues	650
Cost of sales	<u>(450)</u>
Gross profit	200
Other operating expenses	(90)
Operating income	110
Income taxes	<u>(34)</u>
<b>Net income</b>	<b>76</b>

### ABC Company Balance Sheet

Cash	25
Account receivables	40
Inventory	100
Total current assets	<b>165</b>
Total non-current assets	<b>400</b>
<b>Total assets</b>	<b>565</b>
Total current liabilities	<u>100</u>
Total non-current liabilities	<b>232</b>
Total owners' equity	<b>233</b>
<b>Total liabilities and equity</b>	<b>565</b>

### Profitability ratio example

#### Operating Profit Margin

$$\frac{\text{Operating Income}}{\text{Revenues}} = \frac{110}{650}$$

$$= 16,92\%$$

#### ABC's Asset Turnover

$$\frac{\text{Revenues}}{\text{Total Assets}} = \frac{650}{565}$$

$$= 115\%$$

# III. Financial Statement Analysis

## 3. Debt and equity ratio

	Definition	Equation
<b>Debt-to-equity ratio</b>	Measures how much <b>debt</b> the company has <b>relative to equity</b>	Debt-to-equity ratio = $\frac{\text{Debt}}{\text{Equity}}$
<b>Equity multiplier ratio</b>	Measures the amount of total assets supported by one monetary unit of equity.	Equity multiplier ratio = $\frac{\text{Total assets}}{\text{Equity}}$



## III. Financial Statement Analysis

### 3. Debt and equity ratio

#### ABC Company Balance Sheet

December 31, 2021

<i>Asset</i>	
Cash	25
Account receivables	40
Inventory	100
Total current assets	<b>165</b>
Total non-current assets	<b>400</b>
<b>Total assets</b>	<b><u>565</u></b>
<i>Liabilities and Equity</i>	
Account payables	100
Total current liabilities	<b>100</b>
Total non-current liabilities	<b>232</b>
Common stock	85
Retained earnings	148
Total owners' equity	<b><u>233</u></b>
<b>Total liabilities and equity</b>	<b><u>565</u></b>

#### Debt and equity ratio example

##### ABC's Debt-to-equity Ratio

$$\frac{\text{Debt}}{\text{Equity}} = \frac{332}{233} = 1,42$$

##### ABC's Equity Multiplier

$$\frac{\text{Total Asset}}{\text{Equity}} = \frac{565}{233} = 2,42$$

# III. Financial Statement Analysis

## 4. Return Ratio

	Definition	Equation
<b>Net profit margin</b>	Measures the percentage of revenues that is profit — that is, <b>the percentage of revenues</b> left for the <b>shareholders</b> after all expenses have been accounted for.	Net profit margin = $\frac{\text{Net Income}}{\text{Revenues}}$
<b>Asset turnover</b>	Asset turnover is the ratio of total sales or revenue to average assets	Asset turnover = $\frac{\text{Revenues}}{\text{Total Assets}}$
<b>Financial leverage</b>	Measures the amount of total assets supported by one monetary unit of equity.	Financial leverage = $\frac{\text{Total Assets}}{\text{Equity}}$
<b>Return on equity (ROE)</b>	Indicates <b>how much return</b> , as measured by net income, is available to a monetary unit of equity	Return on equity = $\frac{\text{Net Income}}{\text{Equity}}$

## III. Financial Statement Analysis

### 4. Return Ratio

#### Return ratio example

#### ABC Company Balance Sheet

**October 31.2017**

##### *Assets*

Total current assets	165
Total non-current assets	400
<b>Total assets</b>	<b>565</b>

##### *Liabilities and Equity*

Total current liabilities	100
Total non-current liabilities	232
Total owners' equity	233
<b>Total liabilities and equity</b>	<b>565</b>

#### ABC's Net Profit Margin

$$\frac{\text{Net Income}}{\text{Revenues}} = \frac{76}{650} = 11,69\%$$

#### ABC's Asset Turnover

$$\frac{\text{Revenues}}{\text{Total Assets}} = \frac{650}{565} = 115\%$$

#### ABC Company Income Statement

**October 31.2017**

Revenues	650
Cost of sales	(450)
Gross profit	<b>200</b>
Total other operating expenses	(90)
Operating income	110
Income taxes	(34)
<b>Net income</b>	<b>76</b>

#### ABC's Financial Leverage

$$\frac{\text{Total Assets}}{\text{Equity}} = \frac{565}{233} = 2,42$$

#### ABC's Return on equity

$$\frac{\text{Net Income}}{\text{Equity}} = \frac{76}{233} = 32,62\%$$

## III. Financial Statement Analysis

### Vocabulary

Vocabulary	Meaning
Amplify returns	Khuếch đại lợi nhuận
Asset turnover	Vòng quay tài sản
Basic earning power	Sức sinh lợi tài sản
Current ratio	Chỉ số thanh toán hiện hành
Debt-to-equity ratio	Chỉ số nợ trên vốn chủ sở hữu
Financial leverage	Đòn bẩy tài chính
Inventory	Hàng tồn kho
Liquidity	Tính thanh khoản
Net profit margin	Biên lợi nhuận ròng

## III. Financial Statement Analysis

### Vocabulary

Vocabulary	Meaning
Operating profit margin	Biên lợi nhuận hoạt động
Price-to-book ratio	Hệ số giá thị trường trên giá ghi sổ
Price-to-earnings ratio	Hệ số giá trên lợi nhuận
Current ratio	Chỉ số thanh toán hiện hành
Quick ratio	Chỉ số thanh toán nhanh
Profitability	Khả năng sinh lời
Return on assets	Tỷ suất sinh lời trên tài sản
Return on equity	Tỷ suất sinh lời trên vốn cổ phần
Shareholder	Cổ đông