Important Information

It is especially important to submit this assignment before the deadline, June 12, 11:59 PM PDT, because it must be graded by others. If you submit late, there may not be enough classmates around to review your work. This makes it difficult - and in some cases, impossible - to produce a grade. Submit on time to avoid these risks.

1. [Instructions](https://www.coursera.org/learn/operations-management/peer/Zg0lp/module-1-assignment-2)
2. [My submission](https://www.coursera.org/learn/operations-management/peer/Zg0lp/module-1-assignment-2/submit)
3. [Discussions](https://www.coursera.org/learn/operations-management/peer/Zg0lp/module-1-assignment-2/discussions)

Your assignment was saved, but please fix the errors below before submitting.

**Submit your assignment**

Title

Please fill in a title.



Compute the asset turnover for each company.

<http://www.investopedia.com/terms/a/assetturnover.asp>   
  
**Asset Turnover = Sales or Revenues / Total Assets**  
  
**Consumer Electronic** >>> $108, 249 / $116,371 = **93.02%  
Large Retailer** >>> $446,950 / $193,406 = **231.09%**

Compute the operating margin for each company.

<http://www.investopedia.com/terms/o/operatingmargin.asp>  
  
**Operating margin = Operating Income / Net Sales**  
  
**Consumer Electronic** >>> $25,922 / $108, 249 = **23.95%**  
**Large Retailer** >>> $15,699 / $446,950 = **3.51%**

Compute the return on equity for each company.

<http://www.investopedia.com/terms/r/returnonequity.asp?o=40186&l=dir&qsrc=999&qo=investopediaSiteSearch>   
  
**Return on Equity = Net Income / Shareholder's Equity**  
  
**Consumer Electronic** >>> $25,922 / $76,615 = **33.83%**  
**Large Retailer** >>> $15,699 / $75,761 = **20.72%**

What does your analysis suggest about the differences in operations performance of the two companies?

<http://www.investopedia.com/university/ratios/operating-performance/?o=40186&l=dir&qsrc=999&qo=investopediaSiteSearch&ap=investopedia.com>

 [Operating Performance Ratios: Fixed-Asset Turnover](http://www.investopedia.com/university/ratios/operating-performance/ratio1.asp" \o "Link: http://www.investopedia.com/university/ratios/operating-performance/ratio1.asp)

 [Operating Performance Ratios: Sales/Revenue Per Employee](http://www.investopedia.com/university/ratios/operating-performance/ratio2.asp)

 [Operating Performance Ratios: Operating Cycle](http://www.investopedia.com/university/ratios/operating-performance/ratio3.asp)   
                               **Consumer Electronic                      Large Retailer**   
Asset Turnover                          93.02%                                231.09%Operating margin                      23.95%         3.51%  
Return on Equity                       33.83%                                  20.72%  
  
We can compare the companies above to know that :-  
  
**Case Study :**  
  
I used to work as a customer service operator in Ladbrokes Far East Asian department (Scicom MSC Bhd) and now I've affiliate business partnership with Ladbrokes and some other companies. From my personal view, I try to separate the digital business and brick-and-mortar retailing outlet of Ladbokes as example. I assume that Consumer Electronic is digital business operates around the World while Large Retailer is the outlets which operates within Europe.  
  
1) Asset Turnover >>>   
   - The asset of digital subsidiary company or department is smaller since there has just only server and some IT related staffs as well as a centralized customer support department needed. I try to assume that only 300 staffs for digital business.  
   - The asset of retailer outlet or department is larger since every single brick-and-mortar outlet required staffs, property and also fixed expenses. The number of staff for retailer is extremely higher which might probably more than 10,000 staffs.  
  
2) Operating margin >>>  
   - The net profit generates by digital department is higher due to low flexible cost for wages, rentals etc.  
  
3) Return on Equity >>>  
   - The return of investment on digital business is higher than retailer business. Which means every single unit of shares that investors invest on Ladbrokes via stock market has generate higher return/dividend from the portion of digital business.

<https://www.coursera.org/learn/operations-management/peer/Zg0lp/module-1-assignment-2/review/145WCio9Eea88hLQJKBf0w>