

MSBA Financial Group Data Dictionary

FILE. `datacorp_financials_data.csv`

Company_ID. Unique company identifier

Net_worth_to_Assets. The proportion of a company's net worth (total assets minus total liabilities) relative to their total assets. It indicates the extent to which an entity's wealth is financed through debt or other liabilities, offering insight into financial stability and risk.

Retained_Earnings_to_Total_Assets. The proportion of a company's total assets funded by its retained earnings (the accumulated profits not distributed to shareholders as dividends). A higher ratio suggests that a significant portion of the company's assets is financed through its retained earnings, indicating financial stability and sustainable growth.

Working_Capital_to_Total_Assets. Measures a company's ability to cover its short-term obligations using its current assets relative to its total assets. It assesses the company's liquidity and operational efficiency, indicating its capacity to meet immediate financial demands and invest in long-term assets.

Working_Capital_to_Equity. Measures a company's ability to cover short-term obligations using its own resources, indicating financial stability. A higher ratio suggests a stronger ability to meet short-term liabilities with internally generated funds, while a lower ratio may signal potential liquidity problems.

Equity_to_Longterm_Liability. Assesses the proportion of long-term liabilities financed by shareholders' equity, indicating the extent to which a company relies on owner's funds for long-term obligations. A higher ratio suggests a healthier financial structure.

Current_Liabilities_to_Equity. Evaluates the portion of a company's short-term obligations in relation to shareholders' equity, indicating the level of risk associated with current liabilities. A lower ratio implies lower risk as equity is sufficient to cover short-term debts.

Liability_to_Equity. Measures the overall leverage of a company by comparing total liabilities to shareholders' equity. A higher ratio indicates higher financial risk, as the company has more debt relative to equity, potentially impacting its solvency and stability.

Current_Liability_to_Current_Assets. Gauges a company's ability to cover its short-term obligations with its short-term assets, providing insight into liquidity. A ratio less than 1 indicates the company can meet its current liabilities using current assets.

Borrowing_dependency. Quantifies the reliance of a company on external borrowing to finance its operations, indicating the extent to which it depends on borrowed funds. A higher dependency suggests higher financial risk due to potential difficulties in repaying debts.

Debt_ratio_percentage. A company's total debt as a percentage of its total assets, reflecting the proportion of assets financed by debt. A higher percentage indicates a higher degree of financial leverage and risk.

Persistent_EPS. EPS stands for Earnings Per Share. Persistent EPS represents the long-term sustainable earnings per share of a company, providing insight into its consistent profitability over time, excluding exceptional or one-time items.

Per_Share_Net_profit_pre_tax. The net profit before taxes allocated to each outstanding share, indicating the company's profitability on a per-share basis before tax implications.

Operating_Profit_Per_Share. Measures a company's earnings generated from its core operations allocated to each outstanding share, providing insight into its operational efficiency and profitability.

Tax_rate. The percentage of taxable income a company pays in taxes, indicating its efficiency in managing tax expenses and affecting its net profit margin and overall profitability.

Operating_Gross_Margin. The percentage of revenue that exceeds the cost of goods sold, indicating a company's operational efficiency and profitability before accounting for other expenses. A higher margin suggests better efficiency in producing and selling goods or services.

FILE. msba_fg_ratios.csv

ID. Unique company identifier

Net_Income_to_Total_Assets. A company's efficiency in generating profit from its total assets, indicating how well it utilizes its resources to generate earnings. A higher ratio signifies effective asset utilization and profitability.

ROA_before_interest_percent_after_tax. ROA stands for Return on Assets. ROA before interest and after tax calculates a company's profitability by considering operating earnings before interest expenses and taxes, providing insight into its core operational efficiency and profitability.

Net_Profit_Before_Tax_to_Paid_in_Capital. Compares a company's net profit before taxes to its paid-in capital, indicating the profitability generated per unit of shareholder investment. It shows how efficiently the company generates profits relative to the capital invested by shareholders.

Net_Income_to_Stockholders_Equity. Evaluates return on shareholders' equity by measuring the company's net income in relation to its shareholders' equity. It indicates the profitability earned by the company from the shareholders' investment and reflects the company's financial health.

Operating_Profit_Paid_in_Capital. Assesses a company's operating profit in relation to its paid-in capital, showing the efficiency of operations concerning the capital invested by

shareholders. It highlights the company's ability to generate operating profit with the funds provided by shareholders.

Total_Asset_Turnover. Measures a company's efficiency in generating revenue from its total assets. It indicates how effectively the company utilizes its assets to generate sales. A higher ratio implies efficient asset utilization.

Total_Expense_to_Assets. Evaluates the proportion of a company's total expenses to its total assets, indicating the efficiency of cost management. A lower ratio suggests effective cost control and management of resources, leading to higher profitability.

FILE. msba_fg_bankruptcy.txt

Company_ID. Unique company identifier

Bankrupt. Binary variable indicating whether or not the company filed for bankruptcy.