



Week 4

Final Exam and Assessments

- ✓ **Quiz:** Course Final Exam - This quiz contributes 40% towards your final grade
40 questions
- ✓ **Reading:** Academic Integrity
10 min
- 🔒 **Peer-graded Assignment:** Peer Assessment - This contributes 10% towards your final grade
1h
- 🔒 **Review Your Peers:** Peer Assessment - This contributes 10% towards your final grade
- ✓ **Quiz:** Peer Assessment Calculations - Worth 10% of your final grade
6 questions
- ✓ **Reading:** Where to From Here? The Next Step.
10 min
- ✓ **Reading:** End of Course Survey
10 min

Peer-graded Assignment: Peer Assessment - This contributes 10% towards your final grade

Deadline Oct 9, 11:59 PM EDT**Ready for the assignment?**

You will find instructions below to submit.

Instructions

My submission

Discussions

Project Title

Changes in performance metrics between 2012 and 2013

Profitability Ratios 1

Profitability Ratios 1	2012	2013
Gross Margin (%)	?	41%
Operating Margin (%)	?	19%
Net Profit Margin (%)	?	12%
ROE (%)	?	60%
ROA (%)	?	12%

Comment and interpret on the Profitability Ratios 1 in the text box below:

Gross Margin over 2013 (41%) is greater than Gross Margin over 2012 (38%)
Operating Margin over 2013 (19%) is greater than Operating Margin over 2012 (11%)
Net Profit Margin over 2013 (12%) is greater than Net Profit Margin over 2012 (7%)

Profitability Ratios 2

Profitability Ratios 2	2012	2013
EPS	?	4.98
P/E	?	11.65
P	?	57.98

Comment and interpret on the Profitability Ratios 2 in the text box below:

These metrics indicate that earnings per share increased a lot between 2012 and 2013, while the share price increased only a little, so that P/E substantially drops (not because of a speculative bubble bursting and price falling while earnings stay constant, rather the price almost staying constant while earnings increase, which is the other way for the ratio to fall)

Leverage Measures

Leverage Measures	2012	2013
Debt/Equity Ratio	?	3.29
Debt/Assets Ratio	?	0.77
Interest Coverage Ratio	?	12.09

Comment and interpret on the Leverage Measures in the text box below:

It was 0.06 in 2012 and 12.09 in 2013, which is an increase by 22%
The company created and sold new shares, enough so that even with the debt increased the debt/equity ratio declines 11%
The increased EBIT makes the Interest Coverage Ratio double.

Efficiency Measures

Efficiency Measures	2012	2013
Total Asset Turnover	?	0.96
Receivables Turnover	?	10.28
Average Collection Period (days)	?	36

Average Collection Period (days)	?	50
Inventory Turnover	?	6.65
Days in Inventory	?	55

Comment and interpret on the Efficiency Measures in the text box below:

Inventory turnover increases from 6.42 in 2012 to 6.65 in 2013
Days in Inventory decreases from 57 in 2012 to 55 in 2013
All these metrics indicate better efficiency in 2013 than in 2012

Liquidity Measures

Liquidity Measures	2012	2013
Current Ratio	?	0.85
Quick Ratio	?	0.53
Cash Ratio	?	0.07

Comment and interpret on the Liquidity Measures in the text box below:

Current Ratio increases from 0.75 in 2012 to 0.85 in 2013
Quick Ratio increases from 0.38 in 2012 to 0.53 in 2013
Cash Ratio increases from 0.06 in 2012 to 0.07 in 2013

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☒ I, **Jordan Bell**, understand that submitting work that isn't my own may result in permanent failure of this course or deactivation of my Coursera account.