

Financial Ratios “Cheat Sheet”

Debt Ratio

Total liabilities ÷ Total assets = Debt ratio

Total liabilities and total assets can both be found on the **balance sheet**.

Current Ratio

Current assets ÷ Current liabilities = Current ratio

Current assets and current liabilities can both be found on the **balance sheet**.

Return on Sales (ROS)

Net income ÷ Total revenue = Return on sales

Net income and total revenue can be found on the **income statement**.

Asset Turnover Ratio

Sales ÷ Total assets = Asset turnover ratio

Sales can be found in the **revenue section on the income statement**.

Total assets can be found on the **balance sheet**.

Return on Equity (ROE)

Net income ÷ Equity = Return on equity

Net income and equity can both be found on the **balance sheet**.