**Ratio Solution Check**

Q1) B, A

Q2) B

Q3) B

Q4) A, C

Q5) A

Q6) A

Q7) Current ratio: 89%

Q8) Current ratio: 261%; Quick asset ratio: 118%

Q9) Quick asset ratio: Woolworths Limited-21.4% & David Jones-13.3%

Q10) A

Q11) A: 83%, B: 151% & C:240%

Q12) C

Q13) A, A, A & A

Q14) Debt to Equity: 178%; Times Interest Earned: 2.17 times

Q15) Debt to Equity: 218%; Times Interest Earned: 2.6 times

Q16) Debt to Equity: 166%; Times Interest Earned: 1.4 times

Q17) Summer Limited- Current Ratio: 96%; Debt to Equity: 283%; Times Interest Earned: 2.4 times;

Winter Limited-Current Ratio: 170%; Debt to Equity: 24.3%; Times Interest Earned: 9.3 times

Q18) Profit Margin Ratio: 2018-11.3% & 2019-5.8%; Return on assets: 5.3%

Q19) Profit Margin Ratio: 10.5%; Return on assets: 10.3%

Q20) Profit Margin Ratio: 4.1%

Q21) Profit Margin Ratio: 14.7%

Q22) C

Q23) A

Q24) Earnings per ordinary share: $0.21 per share

Q27) Price Earnings ratio: Alpha Limited-5 times, Omega Limited-20 times

Q28) Price Earnings ratio: 8 times

Q29) Price Earnings ratio: 15 times

Q30) Dividend yield: 8.5%

Q31) Dividend yield: David Jones Limited-6.15%, Woolworths limited-3.95%

Q32) Debtors collection period: 2028-32 days, 2029-37 days; A; Inventory turnover: 2028-2.9 times per year, 2029-3.7 times per year; A

Q33) Debtors collection period: 2026-37 days, 2027-32 days

Q34) Inventory turnover: 2028-2.7 times per year, 2029-1.8 times per year

Q35) Profit Margin Ratio: 6.5%; Return on assets: 6.8%; Earnings per ordinary share: $0.10 per share; Price Earnings ratio: 8.4 times

Q39) *Red Traders Limited*: Current Ratio: 229%; Debt to Equity: 69%; Times Interest Earned: 8 times; Profit Margin Ratio: 9%; Return on assets: 14.8%; Debtors collection period: 31 days; Inventory turnover: 3.2 times per year

*Red Traders Limited*: Current Ratio: 141%; Debt to Equity: 205%; Times Interest Earned: 2 times; Profit Margin Ratio: 6.9%; Return on assets: 6.3%; Debtors collection period: 49 days; Inventory turnover: 2.54 times per year