

“We are not a speculator but investor”

Eco352 Finance
03/06/2020 in-class activity

Name _____

Table 7.1 & 7.2 (page 208 of the textbook)

1. Calculate Inventory turnover ratio and interpret this ratio (industry average = 7.4 times)
2. Calculate days sales outstanding and interpret this ratio (industry average = 32.1 days)
3. Calculate Fixed assets turnover ratio and interpret this ratio (industry average = 4.0 times)
4. Calculate total assets turnover ratio and interpret this ratio (industry average = 2.1 times)
5. Calculate debt ratio and interpret this ratio (industry average = 42%)
6. Calculate times interest earned and interpret this ratio (industry average = 6.5 times)
7. Calculate Net profit margin on sales and interpret this ratio (industry average = 4.9%)
8. Calculate Return on total asset (ROA) and interpret this ratio (industry average = 11.5%)
9. Calculate Return on common equity (ROE) and interpret this ratio (industry average = 17.7%)
10. Calculate P/E ratio and interpret this ratio (industry average = 15 times)