

Profit Ratio

Return on Asset = Net Profit/total asset

Return on Equity = Net Profit/total equity

Return on Capital employed = Net profit or operating profit/capital employed

Liquidity Ratio

Quick Ratio = Liquid asset / current liability

Current Ratio = current assets/current liability

Efficiency Ratio

Inventory Turnover Ratio = Cost of goods sold/ Inventory

Receivables Turnover Ratio = Revenue/Account receivable

Asset Turnover = Revenue/Total Asset

Payables Turnover = Cost of goods sold/Accounts Payable

Cash Conversion Cycle

CCC = Days Sale of Inventory + Days Sale of Outstanding + Days Payable Outstanding

Days Sale of Inventory = Inventory/Cost of Goods sold*365

Days Sale of Outstanding = Accounts Receivables/ Revenue *365

Days Payable Outstanding = Accounts Payable/Cost of goods Sold *365

Leverage Ratio

Balance Sheets = Total Liabilities/Total assets or Equity

Debt to Assets Ratio = Total Liability/Total Asset

Debt to Equity = Total Liabilities/Total Equity

Income Ratio

Interest Coverage = Operating Profit/Interest expense

Total Debt service = Interest + Principle

Debt service coverage = EBITDA/Total Debt Service