⊗ بتقيس حصة كل سهم عادي من الأرباح عمّا الأسهم المميزة (Preferred) مش بحاجة نقيس حصتهم لأنها ثابتة.

{ ⇒ The higher the EPS, the higher the firm's profitability (∴ The better). }

5- Market Ratios :- → a, b

a- Price \ Earning Ratio = market Price \ Share (يكون معطى) / EPS

⇓

It measures how much the investors are ready to pay for a specific share in earnings.

{ ⇒ The higher the price \ earning ratio, the better. }

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b- Book Value \ Share (per) = Total common equity / # of common stocks outstanding

⊗ where :- Total common equity = common stock @ par + APIC + Retained earning.

{ ⇒ The higher the market to book ratio, the better. }

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1- Current Ratio = $\frac{\text{Current assets}}{\text{Current liab.}} = \frac{72,000}{69,000}$

= 1.04 times.

2- Quick Ratio = $\frac{\text{Current assets} - \text{Inventory}}{\text{current liabilities}}$

= $\frac{72,000 - 45,500}{69,000}$ = 0.38 times.

3- Inventory turnover = $\frac{CGS}{\text{Inventory}} = \frac{106,000}{45,500}$

= 2.33 times.

4- Average Age of Inventory (AAI) = $\frac{365}{2.33}$

= 156.65 days.

5- Average Collection Period (ACP) = $\frac{A/R \cdot 365}{\text{Sales}}$ ← مقلوب المبيعات

(or: $\frac{A/R}{\text{Av. sales/day}}$) = $\frac{25,000 \times 365}{160,000}$

⇒ ACP = 57.03 days.

6- Debt Ratio = $\frac{\text{Total liab.}}{\text{Total Assets}} = \frac{69,000 + 22,950}{150,000}$

$= 0.613 = 61.3\%$ (الأحسن تكون نسبة)

7- Time interest earned Ratio = $\frac{\text{EBIT}}{\text{Interest exp.}} = \frac{17,000}{6,100}$

$= 2.78$ times -

8- Gross Profit margin = $\frac{\text{Gross Profit}}{\text{Sales}} = \frac{54,000}{160,000}$

$= 0.33 = 33\%$

9- Operating Profit margin = $\frac{\text{Operating Profit}}{\text{Sales}} = \frac{17,000}{160,000}$

$= 0.10 = 10\%$

10- Net Profit margin = $\frac{\text{EACS}}{\text{Sales}} = \frac{\text{Net Profit - Preferred div.}}{\text{Sales}}$

$= \frac{6,540 - 0}{160,000} = 0.04 = 4\%$

11- ROA = $\frac{\text{EACS}}{\text{Total Assets}} = \frac{6,450 - 0}{150,000} = 0.04 = 4\%$

12- ROE = EACS / Total common equity

Total common equity = Common stock @ par + APIC + R.E

= 31,500 + 0 + 26,550 = $58,050

⇒ ROE = 6540 - 0 / 58,050 = 0.11 = 11%.

13- Market \ Book value = market price \ share

Book value \ share = total common equity / # of C.S.O

= 58,050 / 3000 = $19.35

∴ ⇒ Market \ Book ratio = 25 / 19.35 = 1.29

(* # of C.S.O ≡ number of common stocks outstanding

B.S in)

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Sales = $40,000,000
Gross profit margin = 80%
Operating profit margin = 35%
Net profit margin = 8%
ROA = 16%
ROE = 20%
Total Asset turnover = 2 times
ACP = 62.2 days.

Gross profit / 000,000 = 0.8

⇒ Gross profit = 32,000,000

b- Cost of Goods Sold (CGS) :-

Sales - CGS = gross profit.

40,000,000 - CGS = 32,000,000

⇒ CGS = $8,000,000

c- Operating profit = ??

op. profit margin = op. profit / Sales = 0.35

⇒ Operating profit = 40,000,000 × 0.35

= $14,000,000

d- Operating expenses = ??

Op. profit = gross profit - op. exp.

⇒ operating expenses = $18,000,000

e- EACS = ??

Net profit margin = $\frac{EACS}{Sales}$ = 0.08

$\Rightarrow$ EACS = 40,000,000 x 0.08

EACS = $3,200,000

f- Total Assets = ??

total assets turnover = $\frac{Sales}{Total\ Assets}$ = 2

$\Rightarrow$ Total Assets = $\frac{40,000,000}{2}$ = $20,000,000

g- Total common equity = ??

ROE = $\frac{EACS}{Total\ Common\ equity}$ = 0.2

$\Rightarrow$ Total common equity = $\frac{3,200,000}{0.2}$

= $16,000,000

h- Account Receivables ?? (A\R)

ACP = $\frac{A\R}{Av.\ Sales\backslash day}$ = 62.2

$\Rightarrow$ A\R = 62.2 x $\frac{40,000,000}{365}$

A\R = $6,816,438.356