

**Formula Sheet****Sales Growth %**

$$\frac{\text{Current Year Sales} - \text{Prior Year Sales}}{\text{Prior Year Sales}} \times 100$$

**Gross Profit %**

$$\frac{\text{Gross Profit}}{\text{Turnover}} \times 100$$

**Net Profit %**

$$\frac{\text{Net Profit}}{\text{Turnover}} \times 100$$

**EBIT %**

$$\frac{\text{EBIT}}{\text{Turnover}} \times 100$$

**ROCE**

$$\frac{\text{EBIT}}{\text{Capital Employed}}$$

**Liquidity (or Current) Ratio**

$$\frac{\text{Current Assets}}{\text{Current Liabilities}}$$

**Quick (or Acid Test) Ratio**

$$\frac{\text{Current Assets} - \text{Stock}}{\text{Current Liabilities}}$$

Turnover, Sales, Revenue & Income are the same thing!  
These terms are often used interchangeably

EBIT is Earnings Before Income & Tax (use Operating Income if EBIT is not identified)

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Capital Employed = Total Assets - Current Liabilities

Stock might be referred to as Inventories

<b>Debtor Days</b>		<b>Creditor Days</b>	
$\frac{\text{Trade Debtors}}{\text{Sales}} \times 365$		$\frac{\text{Trade Creditors}}{\text{Cost of Sales}} \times 365$	
<b>Gearing Ratio</b>			
$\frac{\text{Long-term loans} + \text{Short-term loans} + \text{Overdrafts}}{\text{Shareholder Equity (Net Assets)}}$			
<b>Debt-Equity Ratio</b>		<b>Debt-Assets Ratio</b>	
$\frac{\text{Total Liabilities}}{\text{Shareholder Equity (Net Assets)}}$		$\frac{\text{Total Liabilities}}{\text{Total Assets}}$	
<b>FOR INFORMATION ONLY:</b>			
<b>Earnings Per Share</b>		<b>Price/Earnings Ratio</b>	
$\frac{\text{Net Profit}}{\text{Number of Shares}}$		$\frac{\text{Market Price of Shares}}{\text{Earnings Per Share}}$	

Trade Debtors might be referred to as Accounts Receivable  
Trade Creditors might be referred to as Accounts Payable

Shareholder Equity = Net Assets = Total Assets - Total Liabilities

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## Financial Ratios

Calculate the following to 1 decimal place:

	<b>Company Name:</b> Year-end:
Turnover Value	
EBIT Value	
Net Profit Value	
Net Assets Value	
Sales Growth %	
Gross Profit %	
EBIT %	
Net Profit %	
ROCE	
Liquidity Ratio	
Acid Test Ratio	
Debtor Days	
Creditor Days	
Gearing Ratio	
Debt-Equity Ratio	
Debt-Assets Ratio	