

Accounting 2025

v1.4

Acid test or quick ratio	$\frac{\text{Current assets} - (\text{Inventories} + \text{Prepayments})}{\text{Current liabilities}}$
Cash flow to sales ratio	$\frac{\text{Cash flows from operating activities}}{\text{Net sales}}$
Cash generating power ratio	$\frac{\text{Cash flows from operating activities}}{\text{Cash flows from operating activities} + \text{Cash from investing inflows} + \text{Cash from financing inflows}}$
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$
Debt ratio	$\frac{\text{Total liabilities}}{\text{Total assets}} \times 100$
Debt to equity ratio	$\frac{\text{Total liabilities}}{\text{Total equity}}$
Dividend yield	$\frac{\text{Dividend per ordinary share}}{\text{Market value per ordinary share}} \times 100$
Earnings per share	$\frac{\text{Operating profit after tax} - \text{Preference dividends}}{\text{Average number of ordinary shares issued}}$
EBITDA margin	$\frac{\text{Earnings before interest, tax, depreciation, amortisation}}{\text{Total revenue}}$
Equity ratio	$\frac{\text{Owner's equity}}{\text{Total assets}} \times 100$
Gearing ratio	$\frac{\text{Short-term and long-term obligations} + \text{Overdrafts}}{\text{Equity investment}} \times 100$
Gross profit ratio	$\frac{\text{Gross profit}}{\text{Net sales}} \times 100$

Long-term debt coverage ratio	$\frac{\text{Cash flows from operating activities} - \text{Dividends paid}}{\text{Long-term debt}}$
Net profit ratio	$\frac{\text{Net profit}}{\text{Net sales}} \times 100$
Operating cash flow ratio	$\frac{\text{Cash flows from operating activities}}{\text{Current liabilities}}$
Price-to-earnings ratio	$\frac{\text{Market price per ordinary share}}{\text{Earnings per share}}$
Return on total assets	$\frac{\text{Net operating profit} + \text{Interest expense}}{\text{Average total assets}} \times 100$
Turnover of accounts receivable	$\frac{\text{Net credit sales}}{\text{Average accounts receivable}}$
Turnover of inventories	$\frac{\text{Cost of goods sold}}{\text{Average inventories}}$
Return on ordinary shareholders' equity	$\frac{\text{Net profit after tax} - \text{Preference dividends}}{\text{Average ordinary shareholders' equity}} \times 100$
Return on owner's equity	$\frac{\text{Net profit}}{\text{Average owner's equity}} \times 100$
Shareholder equity ratio	$\frac{\text{Shareholders' equity}}{\text{Total assets}} \times 100$
Times interest earned	$\frac{\text{Earnings before income tax} + \text{Interest expense}}{\text{Interest expense}}$



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