1. Explain the ratios and their importance.

The first category of ratios is liquidity. This ~~The~~ ratio helps ~~the~~ Investors and Management to examine the potential, of the firm, in paying its current debts using the current assets. The current ratio of Dell, in 2020 and 2019, was 0.7 and 0.8 respectively. The ratio shows that the organization has more liability than the current assets. The quick ratio was 0.64 and 0.72 in the last financial year. Dell can pay ~~less than~~ 70% of the type? liabilities using liquid type? assets, in the last financial year ? . The cash ratio of Dell is 0.18 and 0.22 in the last two financial years.

? How do you have 2 results for 1 yr.

Solvency ratios are metrics that are used to measure the ability ~~of Dell in meeting its~~ to Meet long-term obligations, using the available resources. An organization may either use debts, or shareholders' contributions, to finance its operations. The debt ratio of the organization is between ~~0.97~~ .10 and ~~1~~ .97 for 2019 and 2020, respectively. in the last two financial years. The ratio shows that the organization is risky and may not get loans from financial institutions. The debt ratio and debt to equity show that the organization relies on debt to finance the assets (Kourtis, Kourtis & Curtis, 2019). ~~The last is~~ The interest coverage ratio ~~that~~ measures the potential of an organization in using EBIT to pay interest expense. The interest expense of Dell is more than EBIT, which is risky for the organization and shareholders (Dell Technologies Inc., 2020). ← why?

The profitability ratios include profit margin, return on assets, and return on equity. The ratios measure sales, total assets, and total equity to net income, realized by the organization. Profit margin increased by over ~~2.5 compared to the previous value of~~ 2.5%, from 2019, totaling 5.01%. The return on equity lies between 121% and 909%. The return on equity is high because of the low level of equity used to finance the assets of Dell Company. ~~The last is~~ The return on assets, which is between 3.88% and 2.07%. Profitability ratios show that the organization ~~turns~~ uses its assets, and equity ~~into~~ to generate a profit. ~~at the end of the year~~.

This is wrong. It means assets are used to generate profit.

What is this sentence comparing? years?

Activity ratios include inventory turnover and asset turnover. The asset turnover of Dell lies between 284 days and 295 days. ~~The ratio~~ These results show~~s~~ that the assets, of the firm, are inefficiently used to generate revenue. The inventory turnover is between 13 and 14 days. The company has a high rate of turnover of inventory, used for production (Kourtis, Kourtis & Curtis, 2019). The current situation can be corrected by reducing debt financing and increasing equity financing.

What situation?