RATIO	FORMULA	CALCULATION	RATIO	INDUSTRY AVERAGE	COMMENT
Liquidity		$\frac{\$1{,}000}{\$310} =$	3.2	4.2	Poor
Quick	$\frac{\text{Current assets} - \text{Inventories}}{\text{Current liabilities}}$	$\frac{\$385}{\$310} =$	1.2	2.1	Poor
Asset Management					
Inventory turnover	$\frac{\text{Sales}}{\text{Inventories}}$	$\frac{\$3{,}000}{\$615} =$	4.9	9.0	Poor
Days sales outstanding (DSO)	$\frac{\text{Receivables}}{\text{Annual sales / 365}}$	$\frac{\$375}{\$8.219} =$	45.6	36.0	Poor
Fixed assets turnover	$\frac{\text{Sales}}{\text{Net fixed assets}}$	$\frac{\$3{,}000}{\$1{,}000} =$	3.0	3.0	OK
Total assets turnover	$\frac{\text{Sales}}{\text{Total assets}}$	$\frac{\$3{,}000}{\$2{,}000} =$	1.5	1.8	Poor
Debt Management					
Debt ratio	$\frac{\text{Total liabilities}}{\text{Total assets}}$	$\frac{\$1{,}064}{\$2{,}000} =$	53.2%	40.0%	High (risky)
Times-interest-earned (TIE)	$\frac{\text{Earnings before interest and taxes (EBIT)}}{\text{Interest charges}}$	$\frac{\$283.8}{\$88} =$	3.2	6.0	Low (risky)
EBITDA coverage	$\frac{\text{EBITDA} + \text{Lease pmts.}}{\text{Interest} + \text{Principal payments} + \text{Lease pmts.}}$	$\frac{\$411.8}{\$136} =$	3.0	4.3	Low (risky)
Profitability					

RATIO	FORMULA	CALCULATION	RATIO	INDUSTRY AVERAGE	COMMENT
Profit margin on sales	$\frac{\text{Net income available to common stockholders}}{\text{Sales}}$	$\frac{\$113.5}{\$3,000} =$	3.8%	5.0%	Poor
Basic earning power (BEP)	$\frac{\text{Earnings before interest and taxes (EBIT)}}{\text{Total assets}}$	$\frac{\$283.8}{\$2,000} =$	14.2%	17.2%	Poor
Return on total assets (ROA)	$\frac{\text{Net income available to common stockholders}}{\text{Total assets}}$	$\frac{\$113.5}{\$2,000} =$	5.7%	9.0%	Poor
Return on common equity (ROE)	$\frac{\text{Net income available to common stockholders}}{\text{Common equity}}$	$\frac{\$113.5}{\$896} =$	12.7%	15.0%	Poor
Market Value					
Price/earnings (P/E)	$\frac{\text{Price per share}}{\text{Earnings per share}}$	$\frac{\$23.00}{\$2.27} =$	10.1	12.5	Low
Price/cash flow	$\frac{\text{Price per share}}{\text{Cash flow per share}}$	$\frac{\$23.00}{\$4.27} =$	5.4	6.8	Low
Market/book (M/B)	$\frac{\text{Market price per share}}{\text{Book value per share}}$	$\frac{\$23.00}{\$17.92} =$	1.3	1.7	Low