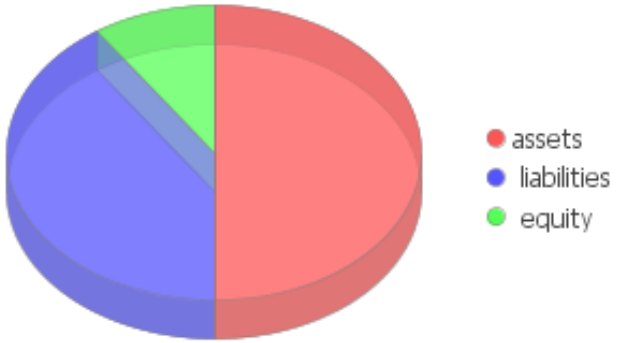
Ratio Analysis

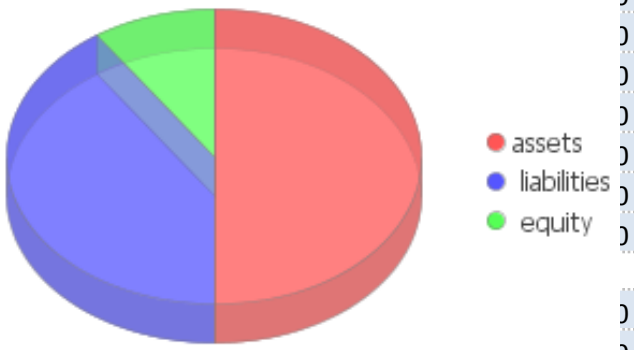
Values in grey cells are automatically calculated using predefined formula, no alterations required.

Line Item	Beginning of Year
Inventory	$12,500
Total assets	$120,000
Owners' equity	$29,000
Number of common	25,000



Line Item	Q1	Q2	Q3	Q4	Annual
Current assets	45,000	46,000	46,500	56,000	$56,000
Fixed assets	80,000	80,000	80,000	80,000	$80,000
Total assets	125,000	126,000	126,500	136,000	$136,000
Average total assets	122,500	123,000	123,250	128,000	$128,000
Cash and cash	15,000	18,000	16,500	14,350	$14,350
Inventory	15,000	18,000	16,500	14,350	$14,350
Average inventory	13,750	15,250	14,500	13,425	$13,425
Current liabilities	23,000	25,000	22,500	25,600	$25,600
Total liabilities	125,000	125,000	125,000	110,000	$110,000
Owners' equity	28,000	30,900	32,000	26,000	$26,000
Number of common	25,000	25,000	25,000	25,000	25,000
Average number of	25,000	25,000	25,000	25,000	25,000
Average owners'	28,500	29,950	30,500	27,500	$27,500
Market price per	10.00	10.00	10.00	10.00	$10.00
Cash flow	175,000	186,000	169,000	155,000	$685,000
Cash flow per share	7.00	7.44	6.76	6.20	$27.40
Dividends paid	5,000	5,000	5,000	5,000	$20,000

Total sales	145,000	156,000	135,600	125,000	$561,600
Operating expenses	68,000				
Operating income	77,000				
Advertising expense	18,000				
Marketing expense	11,000				
Earnings before	132,000				
Interest expense	24,000				
Net income	89,000				
Total loan	25,000				
Value of collateral or	65,000				



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Liqui			Q1				Q2			
Defin										
Current Ratio	=	Current Assets / Current Liabilities	*1.96*	=	*$45,000* / *$23,000*		*1.84*	=	*$46,000* / *$25,000*	
Industry Average			2.00				2.00			
Variance			*(0.04)*				*(0.16)*			
Quarterly							*(0.12)*			
Quick Ratio	=	Current Assets – Inventory / Current Liabilities	*1.30*	=	*$45,000* - *$15,000* / *$23,000*		*1.12*	=	*$46,000* / *$25,000*	
Industry Average			7.00				7.00			
Variance			*(5.70)*				*(5.88)*			
Quarterly							*(0.18)*			
Net Working Capital	=	Current Assets – Current Liabilities / Total Assets	*0.18*	=	*$45,000* - *$23,000* / *$125,000*		*0.17*	=	*$46,000* / *$126,000*	
Industry Average			2.00				2.00			
Variance			*(1.82)*				*(1.83)*			
Quarterly							*(0.01)*			
Current Liabilities to	=	Current Liabilities / Inventory	*1.53*	=	*$23,000* / *$15,000*		*1.39*	=	*$25,000* / *$18,000*	
Industry Average			2.00				2.00			
Variance			*(0.47)*				*(0.61)*			
Quarterly							*(0.14)*			
Cash Ratio	=	Cash and Cash Equivalents / Current Liabilities	*0.65*	=	*$15,000* / *$23,000*		*0.72*	=	*$18,000* / *$25,000*	

Industry Average				2.00				2.00		
Variance				*(1.35)*				*(1.28)*		
Quarterly								*0.07*		
Operating Ratio	=	Operating Expenses		*0.88*	=	*$68,000*		*0.77*	=	*$68,000*
		Operating Income				*$77,000*				*$88,000*
Industry Average				2.00				2.00		
Variance				*(1.12)*				*(1.23)*		
Quarterly								*(0.11)*		
The										
Advertising Expense to	=	Advertising Expense		*0.12*	=	*$18,000*		*0.12*	=	*$18,000*
		Total Sales				*$145,000*				*$156,000*
Industry Average				2.00				2.00		
Variance				*(1.88)*				*(1.88)*		
Quarterly								*(0.01)*		
Marketing Expense	=	Marketing Expense		*0.08*	=	*$11,000*		*0.07*	=	*$11,000*
to Sales Ratio		Total Sales				*$145,000*				*$156,000*
Industry Average				2.00				2.00		
Variance				*(1.92)*				*(1.93)*		
Quarterly								*(0.01)*		

	Q3		Q4		Annual	
	2.07 = *$46,500 / $22,500*		*2.19* = *$56,000 / $25,600*		*2.19* = *$56,000 / $25,600*	
	2.00		2.00		2.00	
	0.07		*0.19*		*0.19*	
	0.23		*0.12*			
- $18,000	*1.33* = *$46,500 - $16,500 / $22,500*		*1.63* = *$56,000 - $14,350 / $25,600*		*1.63* = *$56,000 - $14,350 / $25,600*	
	7.30		7.20		2.00	
	(5.97)		*(5.57)*		*(0.37)*	
	0.21		*0.29*			
- $25,000	*0.19* = *$46,500 - $22,500 / $126,500*		*0.22* = *$56,000 - $25,600 / $136,000*		*0.22* = *$56,000 - $25,600 / $136,000*	
	2.00		2.00		2.00	
	(1.81)		*(1.78)*		*(1.78)*	
	0.02		*0.03*			
	1.36 = *$22,500 / $16,500*		*1.78* = *$25,600 / $14,350*		*1.78* = *$25,600 / $14,350*	
	2.00		2.00		2.00	
	(0.64)		*(0.22)*		*(0.22)*	
	(0.03)		*0.42*			
	0.73 = *$16,500 / $22,500*		*0.56* = *$14,350 / $25,600*		*0.56* = *$14,350 / $25,600*	

	2.00 *(1.27)* *0.01*	2.00 *(1.44)* *(0.17)*	2.00 *(1.44)*
	1.01 = *$68,000* / *$67,600* 2.00 *(0.99)* *0.23*	*1.19* = *$68,000* / *$57,000* 2.00 *(0.81)* *0.19*	*0.94* = *$272,000* / *$289,600* 2.00 *(1.06)*
	0.13 = *$18,000* / *$135,600* 2.00 *(1.87)* *0.02*	*0.14* = *$18,000* / *$125,000* 2.00 *(1.86)* *0.01*	*0.13* = *$72,000* / *$561,600* 2.00 *(1.87)*
	0.08 = *$11,000* / *$135,600* 2.00 *(1.92)* *0.01*	*0.09* = *$11,000* / *$125,000* 2.00 *(1.91)* *0.01*	*0.08* = *$44,000* / *$561,600* 2.00 *(1.92)*

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Asse			Q1			Q2			Q3	
Defin										
Inventory Turnover Ratio	=	Total Sales / Average Inventory	10.55	=	$145,000 / $13,750	10.23	=	$156,000 / $15,250	9.35	=
Industry Average			6.00			6.00			6.00	
Variance			4.55			4.23			3.35	
Quarter Growth/Decline						(0.32)			(0.88)	
Fixed Assets Turnover	=	Total Sales / Fixed Assets	1.81	=	$145,000 / $80,000	1.95	=	$156,000 / $80,000	1.70	=
Industry Average			2.00			2.00			2.00	
Variance			(0.19)			(0.05)			(0.31)	
Quarter Growth/Decline						0.14			(0.26)	
Total Assets Ratio	=	Total Sales / Total Assets	1.16	=	$145,000 / $125,000	1.24	=	$156,000 / $126,000	1.07	=
Industry Average			2.00			2.00			2.00	
Variance			(0.84)			(0.76)			(0.93)	
Quarter Growth/Decline						0.08			(0.17)	
Asset to Equity Ratio	=	Total Assets / Owners' Equity	4.46	=	$125,000 / $28,000	4.08	=	$126,000 / $30,900	3.95	=
Industry Average			2.00			2.00			2.00	
Variance			2.46			2.08			1.95	
Quarter Growth/Decline						(0.39)			(0.12)	

Q4				Annual			
$135,600	9.31	=	$125,000	41.83	=	$561,600	
$14,500			$13,425			$13,425	
	6.00			2.00			
	3.31			39.83			
	(0.04)						
$135,600	1.56	=	$125,000	7.02	=	$561,600	
$80,000			$80,000			$80,000	
	2.00			2.00			
	(0.44)			5.02			
	(0.13)						
$135,600	0.92	=	$125,000	4.13	=	$561,600	
$126,500			$136,000			$136,000	
	2.00			2.00			
	(1.08)			2.13			
	(0.15)						
$126,500	5.23	=	$136,000	5.23	=	$136,000	
$32,000			$26,000			$26,000	
	2.00			2.00			
	3.23			3.23			
	1.28						

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Profi			Q1			Q2			Q3
Defin									
Return on Assets	=	Net Income / Average Total Assets	0.73	=	$89,000 / $122,500	0.71	=	$87,000 / $123,000	0.77
Industry Average			2.00			2.00			2.00
Variance			(1.27)			(1.29)			(1.23)
Quarter						(0.02)			0.06
Return on Equity	=	Net Income / Average Owners' Equity	3.12	=	$89,000 / $28,500	2.90	=	$87,000 / $29,950	3.11
Industry Average			2.00			2.00			2.00
Variance			1.12			0.90			1.11
Quarter						(0.22)			0.21
Profit Margin Ratio	=	Net Income / Total Sales	0.61	=	$89,000 / $145,000	0.56	=	$87,000 / $156,000	0.70
Industry Average			2.00			2.00			2.00
Variance			(1.39)			(1.44)			(1.30)
Quarter						(0.06)			0.14
Basic Earnings Power	=	Earnings Before Interest and Taxes / Total Assets	1.06	=	$132,000 / $125,000	1.01	=	$127,000 / $126,000	0.91
Industry Average			2.00			2.00			2.00
Variance			(0.94)			(0.99)			(1.09)
Quarter						(0.05)			(0.10)
Earnings per Share	=	Net Income / Average Number of Common Shares	3.56	=	$89,000 / $25,000	3.48	=	$87,000 / $25,000	3.80
Industry Average			2.00			2.00			2.00

Variance	1.56	1.48	1.80
Quarter		(0.08)	0.32

	Q4			Annual		
=	$95,000 / $123,250	0.51	= $65,000 / $128,000	2.63	= $336,000 / $128,000	
		2.00		2.00		
		(1.49)		0.63		
		(0.26)				
=	$95,000 / $30,500	2.36	= $65,000 / $27,500	12.22	= $336,000 / $27,500	
		2.00		2.00		
		0.36		10.22		
		(0.75)				
=	$95,000 / $135,600	0.52	= $65,000 / $125,000	0.60	= $336,000 / $561,600	
		2.00		2.00		
		(1.48)		(1.40)		
		(0.18)				
=	$114,500 / $126,500	0.72	= $98,000 / $136,000	3.47	= $471,500 / $136,000	
		2.00		2.00		
		(1.28)		1.47		
		(0.18)				
=	$95,000 / $25,000	2.60	= $65,000 / $25,000	13.44	= $336,000 / $25,000	
		2.00		2.00		

	0.60 (1.20)		11.44

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Debt			Q1			Q2			Q3
Defin									
Total Debt Ratio	=	Total Liabilities / Total Assets	1.00	=	$125,000 / $125,000	0.99	=	$125,000 / $126,000	
Industry Average			2.00			2.00			
Variance			(1.00)			(1.01)			
Quarter Growth/Decline						(0.01)			
Interest Coverage Ratio	=	Earnings Before Interest and Taxes / Interest Expense	5.50	=	$132,000 / $24,000	5.29	=	$127,000 / $24,000	
Industry Average			2.00			2.00			
Variance			3.50			3.29			
Quarter Growth/Decline						(0.21)			
Debt/Equity Ratio	=	Total Liabilities / Owners' Equity	4.46	=	$125,000 / $28,000	4.05	=	$125,000 / $30,900	
Industry Average			2.00			2.00			
Variance			2.46			2.05			
Quarter Growth/Decline						(0.42)			
Loan to Value Ratio	=	Total Loan / Value of Collateral or Property	0.38	=	$25,000 / $65,000	0.37	=	$24,000 / $65,000	
Industry Average			2.00			2.00			
Variance			(1.62)			(1.63)			
Quarter Growth/Decline						(0.02)			

			Q4				Annual			
0.99	=	$125,000	0.81	=	$110,000		0.81	=	$110,000	
		$126,500			$136,000				$136,000	
2.00			2.00				2.00			
(1.01)			(1.19)				(1.19)			
(0.00)			(0.18)							
4.77	=	$114,500	4.08	=	$98,000		4.91	=	$471,500	
		$24,000			$24,000				$96,000	
2.00			2.00				2.00			
2.77			2.08				2.91			
(0.52)			(0.69)							
3.91	=	$125,000	4.23	=	$110,000		4.23	=	$110,000	
		$32,000			$26,000				$26,000	
2.00			2.00				2.00			
1.91			2.23				2.23			
(0.14)			0.32							
0.35	=	$23,000	0.34	=	$22,000		0.34	=	$22,000	
		$65,000			$65,000				$65,000	
2.00			2.00				2.00			
(1.65)			(1.66)				(1.66)			
(0.02)			(0.02)							

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Mar			Q1			Q2			Q3
Defin									
Earnings per Share (EPS) Ratio	=	Net Income / Average Number of Common Shares	*$3.56*	=	*$89,000 / 25,000*	*$3.48*	=	*$87,000 / 25,000*	*$3.80*
Industry Average			2.00			2.00			2.00
Variance			*1.56*			*1.48*			*1.80*
Quarter						*(0.08)*			*0.32*
Price to Earnings	=	Market Price per Share / Earnings per Share	*2.81*	=	*$10.00 / $3.56*	*2.87*	=	*$10.00 / $3.48*	*2.63*
Industry Average			2.00			2.00			2.00
Variance			*0.81*			*0.87*			*0.63*
Quarter						*0.06*			*(0.24)*
Price to Cash Flow	=	Market Price per Share / Cash Flow per Share	*1.43*	=	*$10.00 / $7.00*	*1.34*	=	*$10.00 / $7.44*	*1.48*
Industry Average			2.00			2.00			2.00
Variance			*(0.57)*			*(0.66)*			*(0.52)*
Quarter						*(0.08)*			*0.14*
Payout Ratio	=	Dividends Paid / Net Income	*0.06*	=	*$5,000 / $89,000*	*0.06*	=	*$5,000 / $87,000*	*0.05*
Industry Average			2.00			2.00			2.00
Variance			*(1.94)*			*(1.94)*			*(1.95)*
Quarter						*0.00*			*(0.00)*

Q4				Annual			
=	$95,000 / 25,000	$2.60	= $65,000 / 25,000	$13.44	=	$336,000 / 25,000	
		2.00		2.00			
		0.60		11.44			
		(1.20)					
=	$10.00 / $3.80	3.85	= $10.00 / $2.60	0.74	=	$10.00 / $13.44	
		2.00		2.00			
		1.85		(1.26)			
		1.21					
=	$10.00 / $6.76	1.61	= $10.00 / $6.20	0.36	=	$10.00 / $27.40	
		2.00		2.00			
		(0.39)		(1.64)			
		0.13					
=	$5,000 / $95,000	0.08	= $5,000 / $65,000	0.06	=	$20,000 / $336,000	
		2.00		2.00			
		(1.92)		(1.94)			
		0.02					