



JAGATPUR P.G COLLEGE

**AFFILIATED MAHATMA GANDHI KASHI
VIDIYAPITH, VARANASI**



M.COM 1st SEMESTER

NAME OF PAPER: MANAGERIAL DECISION

TOPIC: RATIO ANALYSIS

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Manoj Kumar Rai

Classification of Ratio

1-Profitability Ratio

.Gross Profit Ratio

. Operating Ratio

. Expenses Ratio

.Net Profit Ratio

Return on Proprietors Funds

. Return on Equity Capital

. Return on Total Resources

. Return on Capital Employed

.Earnings per Equity Share

2-Activity Ratios

- *Stock Turnover Ratio*
- *Debtor's Turnover Ratio*
- *Creditors Turnover Ratio*
- *Assets Turnover Ratio*

. Fixed Assets Turnover Ratio

. Current Assets Turnover Ratio

. Net Tangible Assets Turnover Ratio

. Working Capital Ratio

. Capital or Net Worth Turnover Ratio

3-Ratio of Judge the Financial Position or Solvency Analysis Ratio

- *A. Short term Solvency Ratio*
- *(a). Current Ratio Or Working Capital Ratio*
- *(b). Liquid or Quick or Acid test Ratio*
- *©. Super Quick Ratio or Absolute liquid Ratio*
- *B. Solvency Ratio or Long term Solvency Ratio*
- ** Debt- Equity Ratio*
- ** Solvency Ratio*
- **Fixed Assets Ratio*
- **Capital Gearing Ratio*
- **Interest Coverage Ratio or Debt Service Ratio*
- **Debt to Total Funds Ratio or Debt to Capital Employed Ratio*

(4). Ratio for Prospective Investors

Earnings Per Share or E.P.S

Book Value per Share

#Price Earnings Ratio

Dividend Per Share or D.P.S

Pay Capitalisation Ratio or Earnings Yeild Ratio

Dividend Yeild Ratio

Cover for Preference Dividend

Cover for Equity Dividend

REFERENCE

- *Dr. Kamna Dhawan*
- *Publication: Navyug Publications (Second Edition)*

THANKYOU