

Ratio analysis essay online

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Data Global Beverages has better debtors turnover ratio on an average as compared to Atari Foods Ltd. Which eventually rose drastically in 2013. Therefore, Data has utilized its assets better than Tara'. C.

Creditors Turnover Ratio. A measure used to determine the rate at which the firm pays the money to its redirectors. E the suppliers. Lower payable turnover ratio is an advantage to the firm, as it can properly utilize its credit purchases.

Creditors turnover ratio = (Net credit purchases/average creditors)

Compartments Mar 13' Mar 12' Mar 11' Mar 10' Average Atari Foods Here, we can interpret that Data Global Beverages has a lower ratio on an average which is a pretty good sign for the firm presently as well as for future.

Profitability Ratios The basic motive of a firm is to generate profits, as they are of prime importance to he firms managers & shareholders, as they have to show what is the profit generated by the firm to the investors. A.

Gross Profit Margin It is calculated on the basis of the cost of goods sold by the firm or the net sales made by the firm. It considers how well the firm finances its inventories & the cost of production of the goods & makes a price value of the final good/service to the customers. It is represented in percentage & the formula is Gross Profit Margin ? (Gross Compartments Mar 13' Mar 12' Mar 11' Mar 10' Average Atari Foods -rata Global Beverages 9. 54 10.

79 6. 48 10. 07 9. 22 Atari foods had negative gross profit margin, which is not a good sign for the firm.