

# [Analysis tootsie roll vs hershey](https://assignbuster.com/analysis-tootsie-roll-vs-hershey/)

[Business](https://assignbuster.com/essay-subjects/business/)

Hershey has a higher earning per share which means it earns more per share. Their performance decreased from the previous year. The comparison of EPS across companies is not meaningful because of the wide variations in the numbers of shares of outstanding stock among companies. Current Ratio3. 45 : 10.

88 : 1Tootsie roll has a higher current ratio than Hershey which means Tootsi roll is more liquid.

Hershey cannot repay its current liabilities with current assets. Tootsie’s curent liabilities arecovered by current assets 3. 45 times. Therefore, I would purchase Tootsie. Gross Profit Rate33.

2%33. 0%Tootsie has a higher gross profit rate which means that tootsie is more efficient in the production and distribution of its products than Hershey. Profit Margin Ratio10. 4%4. 3%Tootsie makes 10.

4 cents of profit for every dollar in sales. however, Hershey makes 4. 3 cents of profit for every dollar in sales.

I would purchase Tootshie. Inventory Turnover Ratio5. 4 times5.

3 timestootsie’s inventory turnover ratio is higher than Hershey’s. this means that Tootsie sells its inventory faster than Hershey. Therefore, I would chose Tootsie. Days in Inventory67. 6 days68. 8 daysHershey has a higher days in inventory which means that Hershey is not selling its total inventory as quickly as Tootsie.

It could be a sign that Hershey can become less profitable. I would thus purchase Tootsie