

What is the dupont equation? essay sample

[Finance](#), [Investment](#)



What is the DuPont equation, and how does it capture the nature of expense control, efficiency of asset management, and financial leverage (or debt) of a firm? If you were the CFO of your firm (or a hypothetical firm), what variable would you concentrate your efforts on and why? The DuPont equation is a method of measurement that was started by the DuPont Corporation in the 1920s. In this method of measurement the assets are measured at their gross book value rather than at their net book value which would produce a higher rate of return on those assets. The DuPont analysis can be affected by the operating efficiency, the asset use efficient and the financial leverage. The operating efficiency is measured by profit margin. The asset use efficiency is used to measure by the total asset turnover. Financial leverage is measured by the equity multiplier. If I was CEO I would focus on the asset use efficiency. If products are staying in the possession of the company for a long period of time, it more than likely means there are low sales, which would affect the operating efficiency as well. If the asset turnover is good the sales will increase and the return on equity would be greater.

Suppose there is a case where both Plaintiffs are women; Leath was forty-seven years of age when she was terminated, and Ackermann was fifty-seven.

CCSLLC decided to restructure its call center and change its focus from inbound calls to outbound calls. This involved a complete restructure to the call center. In March 2011, all employees who were then working in the call center were terminated effective May 2, 2011, but were permitted to pursue positions in the restructured call center. Those employees seeking jobs in the new call center were required to attend a mandatory outbound training

program. Although both Leath and Ackermann participated in the outbound training program, neither was hired in the restructured call center.

Do Leath and Ackermann have any valid claims against CCSLLC for unlawful discrimination? What are the relevant legal doctrines? Are there any additional facts that we would need to find out in order to resolve this dispute?

I believe that the company gave a valid amount of time and options to the former employees. The company gave the old employees an option to go to the training classes for the new way the company was going to be run. They would then have to go through an interview process just like everyone else applying would have to do. In today's world this is a fair thing for a company to do. Sometimes when productivity goes down it may be needed to start clean. However, something that we should consider would be the employee's age. According to the Age Discrimination in Employment Act (ADEA) forbids discrimination by employers, unions and employment agencies against persons over 40 years of age. If these employees are over the age they may have a valid doctrine to pursue an unlawful discrimination suit.

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