

FINANCIAL ACCOUNTING QUIZ 2 RATIOS

RATIO	:1 or % or Days or Times or \$	(H) Higher is Better (L) Lower is Better
LIQUIDITY & EFFICIENCY		
Current Ratio		
Acid Test Ratio		
Accounts Receivable Turnover		
Merchandise Inventory Turnover		
Days' Sales Uncollected		
Days' Sales in Inventory		
Total Asset Turnover		
SOLVENCY		
Debt Ratio		
Equity Ratio		
Pledged Assets to Secured Liabilities		
Times Interest Earned		
PROFITABILITY		
Profit Margin		
Gross Margin		
Return on Total Assets		
Return on Shareholders' Equity		
Book Value of Common Shares		
Basic Earnings per Share		
MARKET		
Price-Earnings Ratio		
Dividend Yield		

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Answers:

RATIO	:1 or % or Days or Times or \$	(H) Higher is Better (L) Lower is Better
LIQUIDITY & EFFICIENCY		
Current Ratio	:1	H
Acid Test Ratio	:1	H
Accounts Receivable Turnover	Times	H
Merchandise Inventory Turnover	Times	H
Days' Sales Uncollected	Days	L
Days' Sales in Inventory	Days	L
Total Asset Turnover	Times	H
SOLVENCY		
Debt Ratio	%	L
Equity Ratio	%	H
Pledged Assets to Secured Liabilities	:1	H
Times Interest Earned	Times	H
PROFITABILITY		
Profit Margin	%	H
Gross Margin	%	H
Return on Total Assets	%	H
Return on Shareholders' Equity	%	H
Book Value of Common Shares	\$	N/A
Basic Earnings per Share	\$	H
MARKET		
Price-Earnings Ratio	:1	L
Dividend Yield	%	H