

QUESTION

Year	Market value	Volume	Turnover	Profit	Operating profit
2010	100	100	100	10	
2011	100	100	100	10	
2012	100	100	100	10	
2013	100	100	100	10	
2014	100	100	100	10	
2015	100	100	100	10	
2016	100	100	100	10	
2017	100	100	100	10	
2018	100	100	100	10	
2019	100	100	100	10	
2020	100	100	100	10	

QUESTION: Calculate the following ratios for the company for the years 2010-2020.

1. Return on Equity (ROE)

ROE = Net Income / Equity

2. Return on Assets (ROA)

ROA = Net Income / Total Assets

3. Operating Profit Margin

Operating Profit Margin = Operating Profit / Sales

4. Operating Profit to Sales

Operating Profit to Sales = Operating Profit / Sales

5. Operating Profit to Equity

Operating Profit to Equity = Operating Profit / Equity

6. Operating Profit to Assets

Operating Profit to Assets = Operating Profit / Total Assets

7. Operating Profit to Sales

Operating Profit to Sales = Operating Profit / Sales

8. Operating Profit to Equity

Operating Profit to Equity = Operating Profit / Equity

9. Operating Profit to Assets

Operating Profit to Assets = Operating Profit / Total Assets

10. Operating Profit to Sales

Operating Profit to Sales = Operating Profit / Sales

11. Operating Profit to Equity

Operating Profit to Equity = Operating Profit / Equity

12. Operating Profit to Assets

Operating Profit to Assets = Operating Profit / Total Assets

13. Operating Profit to Sales

Operating Profit to Sales = Operating Profit / Sales

14. Operating Profit to Equity

Operating Profit to Equity = Operating Profit / Equity

ANSWER

Year	Market value	Volume	Turnover	Profit	Operating profit
2010	100	100	100	10	
2011	100	100	100	10	
2012	100	100	100	10	
2013	100	100	100	10	
2014	100	100	100	10	
2015	100	100	100	10	
2016	100	100	100	10	
2017	100	100	100	10	
2018	100	100	100	10	
2019	100	100	100	10	
2020	100	100	100	10	

ANSWER: The following table shows the calculated ratios for the company for the years 2010-2020.

1. Return on Equity (ROE)

ROE = Net Income / Equity

2. Return on Assets (ROA)

ROA = Net Income / Total Assets

3. Operating Profit Margin

Operating Profit Margin = Operating Profit / Sales

4. Operating Profit to Sales

Operating Profit to Sales = Operating Profit / Sales

5. Operating Profit to Equity

Operating Profit to Equity = Operating Profit / Equity

6. Operating Profit to Assets

Operating Profit to Assets = Operating Profit / Total Assets

7. Operating Profit to Sales

Operating Profit to Sales = Operating Profit / Sales

8. Operating Profit to Equity

Operating Profit to Equity = Operating Profit / Equity

9. Operating Profit to Assets

Operating Profit to Assets = Operating Profit / Total Assets

10. Operating Profit to Sales

Operating Profit to Sales = Operating Profit / Sales

11. Operating Profit to Equity

Operating Profit to Equity = Operating Profit / Equity

12. Operating Profit to Assets

Operating Profit to Assets = Operating Profit / Total Assets

13. Operating Profit to Sales

Operating Profit to Sales = Operating Profit / Sales

14. Operating Profit to Equity

Operating Profit to Equity = Operating Profit / Equity