



I'm not robot



Continue

Financial ratios cheat sheet excel

CFI's Financial Ratios cheat sheet is a pdf ebook, available for anyone to download for free. The cheat sheet goes over the essential financial ratios

Financial Analysis Ratios Glossary

Glossary of terms and definitions for common financial analysis ratios terms. It's important to have an understanding of these important terms, that a Financial Analyst/Financial Analyst Role uses to analyze a business. Below is an image of the Pyramid of Ratios, a common tool used by industry professionals to analyze a company's efficiency, profitability

Profitability Ratios

Profitability ratios are financial metrics used by analysts and investors to measure and evaluate the ability of a company to generate income (profit) relative to revenue, balance sheet assets, operating costs, and shareholders' equity during a specific period of time. They show how well a company utilizes its assets to produce profit and solvency

Solvency

Solvency is the ability of a company to meet its long-term financial obligations. When analysts wish to know more about the solvency of a company, they look at the total value of its assets compared to the total liabilities held, and to show how they are interconnected.

Pyramid of Ratios

Image: Pyramid of Ratios from CFI's Financial Analysis Course

Free PDF Download – Financial Ratios Cheat Sheet

In this e-book you will find the following Financial Ratios:

- Liquidity Ratios**
- Current Ratio / Working Capital Ratio**
- Current Ratio Formula**
- The Current Ratio formula is = Current Assets / Current Liabilities.** The current ratio, also known as the working capital ratio, measures the capability of a business to meet its short-term obligations that are due within a year. The ratio considers the weight of total current assets versus total current liabilities. It indicates the financial health of a company
- Quick Ratio / Acid Test Ratio**
- Quick Ratio**
- The Quick Ratio, also known as the Acid-test, measures the ability of a business to pay its short-term liabilities with assets readily convertible into cash**
- Cash Ratio**
- Cash Ratio**
- The cash ratio, sometimes referred to as the cash asset ratio, is a liquidity metric that indicates a company's capacity to pay off short-term debt obligations with its cash and cash equivalents. Compared to other liquidity ratios such as the current ratio and quick ratio, the cash ratio is a stricter, more conservative measure**
- Times Interest Earned**
- Times Interest Earned**
- The Times Interest Earned (TIE) ratio measures a company's ability to meet its debt obligations on a periodic basis. This ratio can be calculated by dividing a company's EBIT by its periodic interest expense. The ratio shows the number of times that a company can make its periodic interest payments**
- Capex to Operating Cash Ratio**
- CAPEX to Operating Cash Ratio**
- The CAPEX to Operating Cash Ratio assesses how much of a company's cash flow from operations is being devoted to capital expenditure. Such investments entail engaging in capital-intensive projects such as expanding a production facility, launching a new product line, or restructuring a division.**
- Defensive Interval Ratio**
- Defensive Interval Ratio**
- The defensive interval ratio (DIR) is a financial liquidity ratio that indicates how many days a company can operate without needing to tap into capital sources other than its current assets. It is also known as the basic defense interval ratio (BDIR) or the defensive interval period ratio (DIPR).**
- Operating Cash Flow Ratio**
- Operating Cash Flow Ratio Template**
- This Operating Cash Flow Ratio template will show you how to calculate the operating cash flow ratio, deriving from the formula: operating cash flow/ Times Interest Earned (Cash Basis) Ratio**
- Times Interest Earned (Cash Basis)**
- The Times Interest Earned (Cash Basis) (TIE-CB) ratio is very similar to the Times Interest Earned Ratio. The ratio measures a company's ability to make periodic interest payments on its debt. The main difference is that Times Interest Earned (Cash Basis) utilizes adjusted operating cash flow in its calculation rather than earnings before interest and taxes (EBIT).**
- Efficiency Ratios**
- Accounts Receivable Turnover**
- Accounts Receivable Turnover Ratio**
- The accounts receivable turnover ratio, also known as the debtor's turnover ratio, is an efficiency ratio that measures how efficiently a company's accounts receivable are collected.**
- Days Sales Outstanding (DSO)**
- Days Sales Outstanding (DSO) represents the average number of days it takes credit sales to be converted into cash, or how long it takes a company's accounts receivable to be converted into cash.**
- Asset Turnover Ratio**
- Asset Turnover Ratio**
- The asset turnover ratio, also known as the total asset turnover ratio, measures the efficiency with which a company uses its assets to produce sales. A company with a high asset turnover ratio operates more efficiently as compared to competitors with a lower ratio.**
- Inventory Turnover Ratio**
- Inventory Turnover Ratio**
- The inventory turnover ratio, also known as the stock turnover ratio, is an efficiency ratio that measures how efficiently inventory is managed. The inventory turnover ratio formula is equal to the cost of goods sold divided by total or average inventory to show how many times inventory is "turned" or sold during a period.**
- Inventory Turnover Days (Day Sales in Inventory)**
- Days Sales in Inventory (DSI)**
- Days Sales in Inventory (DSI), sometimes known as inventory days or days in inventory, is a measurement of the average number of days or time a company's inventory is held before being sold.**
- CAPEX to Operating Cash Ratio**
- The CAPEX to Operating Cash Ratio assesses how much of a company's cash flow from operations is being devoted to capital expenditure. Such investments entail engaging in capital-intensive projects such as expanding a production facility, launching a new product line, or restructuring a division.**
- Leverage Ratios**
- Debt to Equity Ratio**
- Debt to Equity Ratio**
- The Debt to Equity Ratio is a leverage ratio that calculates the value of total debt and financial liabilities against the total shareholder's equity.**
- Equity Ratio**
- Debt Ratio**
- Debt to Assets Ratio**
- The Debt to Assets Ratio is a leverage ratio that helps quantify the degree to which a company's operations are funded by debt. In many cases, a high leverage ratio is also indicative of a higher degree of financial risk. This is because a company that is heavily leveraged faces a higher chance of defaulting on its loans.**
- Financial Ratios Cheat Sheet – Profitability Ratios**
- Gross Profit Margin Ratio**
- Gross Margin Ratio**
- The Gross Margin Ratio, also known as the gross profit margin ratio, is a profitability ratio that compares the gross profit of a company to its revenue.**
- Net Profit Margin**
- Net Profit Margin**
- Net Profit Margin (also known as "Profit Margin" or "Net Profit Margin Ratio") is a financial ratio used to calculate the percentage of profit a company produces from its total revenue. It measures the amount of net profit a company obtains per dollar of revenue gained.**
- Return on Assets (ROA)**
- Return on Assets & ROA Formula**
- ROA Formula**
- Return on Assets (ROA) is a type of return on investment (ROI) metric that measures the profitability of a business in relation to its total assets.**
- Return on Capital Employed (ROCE)**
- Return on Capital Employed (ROCE)**
- Return on Capital Employed (ROCE), a profitability ratio, measures how efficiently a company is using its capital to generate profits. The return on capital/Return on Equity (ROE)**
- Return on Equity (ROE)**
- Return on Equity (ROE) is a measure of a company's profitability that takes a company's annual return (net income) divided by the value of its total shareholders' equity (i.e. 12%).**
- ROE combines the income statement and the balance sheet as the net income or profit is compared to the shareholders' equity.**
- Operating Profit Margin**
- Operating Profit Margin**
- Operating Profit Margin is a profitability or performance ratio that reflects the percentage of profit a company produces from its operations, prior to subtracting taxes and interest charges. It is calculated by dividing the operating profit by total revenue and expressing as a percentage.**
- Multiples Valuation Ratios**
- Price Earnings Ratio (P/E)**
- Price Earnings Ratio**
- The Price Earnings Ratio (P/E Ratio) is the relationship between a company's stock price and earnings per share. It provides a better sense of the value of a company.**
- EV/EBITDA Ratio**
- EV/EBITDA**
- EV/EBITDA is used in valuation to compare the value of similar businesses by evaluating their Enterprise Value (EV) to EBITDA multiple relative to an average. In this guide, we will break down the EV/EBITDA multiple into its various components, and walk you through how to calculate it step by step.**
- EV/EBIT Ratio**
- EV/EBIT Ratio**
- The enterprise value to earnings before interest and taxes (EV/EBIT) ratio is a metric used to determine if a stock is priced too high or too low.**
- EV/Revenue Ratio**
- Enterprise Value to Revenue Multiple**
- The Enterprise Value (EV) to Revenue multiple is a valuation metric used to value a business by dividing its enterprise value (equity plus debt minus cash)**
- Financial Ratios Cheat Sheet – Use of Ratios in Financial Analysis**
- There are various types of financial analysis**
- Types of Financial Analysis**
- Financial analysis involves using financial data to assess a company's performance and make recommendations about how it can improve going forward. Financial Analysts primarily carry out their work in Excel, using a spreadsheet to analyze historical data and make projections**
- Types of Financial Analysis, and the use of ratios is an indispensable aspect of all of them. This cheat sheet is a concise and organized source of information on the essential ratios for financial analysis. It can be used as a quick reference to the information. Ratios are a powerful analytical tool for performing both cross-sectional and time-series analysis, as ratios can be compared across time periods and industries. It is also important, however, to be aware of the limitations of ratio analysis.**
- Limitations of Ratio Analysis**
- Ratio analysis is a technique of financial analysis to compare data from financial statements to history or competitors. It focuses on ratios that reflect the profitability, efficiency, financing leverage, and other vital information about a business. Limitations of ratio analysis are**
- Additional resources**
- This Financial Ratios Cheat Sheet is a great way to jumpstart your financial analysis knowledge. Whether you are a beginner or intermediate student, this book is a great way to get a lot of information in one highly-organized format. And the best part is ...it's 100% free!**
- Get the financial ratios pdf now!**
- To learn more and advance your career, check out these additional free CFI resources: Interpreting the Calculator Results If Capital Ratio increases over time: An increasing Capital Ratio is usually a negative sign, showing the company may have a lower proportion of fixed assets when compared to its total equity and debt. If Capital Ratio decreases over time: A decreasing Capital Ratio is usually a positive sign, showing the company may have a higher proportion of fixed assets when compared to its total equity and debt. If Capital Ratio stays the same over time: An unchanged Capital Ratio may indicate the company's proportion of fixed assets compared to its total equity and debt have remained the same. Click the button to learn more about the Financial Analysis Success Kit**
- We've combined all our highly popular financial analysis tools into one mega-financial-analysis-kit that will save you hundreds of dollars if purchased separately. The kit contains 9 files packed with the most important financial ratio analysis tools you can find to help rocket your way to mastering financial analysis. The kit includes: The result? You get all these professionally created tools for a great low price. Take a Look**
- Measures the equity and debt required to attain its long term assets. [sc:kit02] Explanation of Capital Ratio**
- The Capital Ratio measures the amount of equity and debt funding that has resulted in the company acquiring a certain level of Net Property Plant Equipment. Most long-term, fixed assets are financed by either an infusion of equity from stockholders or from debt financed from banks. Importance of Capital Ratio**
- A decreasing Capital Ratio is usually a positive sign, as this shows the company may have a higher proportion of fixed assets when compared to its total equity and debt. The company may have paid down some debt, or possibly bought back some of its stock while maintaining its amount of fixed assets. An increasing ratio may indicate the company has taken on more debt or completed another round of securing equity, but less of a proportion was spent on fixed assets. The company may have also sold some of its fixed assets, causing the ratio to skew upwards. Financial ratios or accounting ratios are most commonly used by every businesses and companies to determine or evaluate the overall financial health of the business and companies. These ratios are frequently used by financial analyst, managers, shareholders, creditors to find out about the strength and weaknesses of the any organization. The data used in calculating financial ratios comes from either income statement, profit and loss account, cash flow statement or company balance sheet. These financial ratios allow the companies to compare its financial strength between companies, industries, different time period for one company. These ratios are measured always against benchmark set by a company. Without benchmark, these ratios are not so useful. Company have to have some kind of industries benchmark set to compare against its financial ratios. Why Ignoring #VarianceAnalysis Will Cost You Sales? pic.twitter.com/jfHdkLVmb9 — Tutor Pace (@TutorPace) July 26, 2015 Most publicly traded companies are required by law to use generally accepted accounting principles (GAAP) for their home country. However, the private companies such as LLC, partnership, private companies are not required to use GAAP method. There are primarily four main categories of financial ratios that all business used to analyze its data: Profitability Ratios Liquidity Ratios Debt Ratios Activity Ratios**
- 3 ways companies can lower its break-even point. pic.twitter.com/52Eu5GvTro — Tutor Pace (@TutorPace) July 25, 2015 Let's elaborate further about all the above financial ratios: 1. Profitability Ratios: These ratios allow companies to measure its ability to make adequate return on sales, total assets and invested capital. In other words, these ratios measure how effectively a company utilizes its resources. Some of the profitability ratios are as follows: Profit margin ratio: profit margin ratio is calculated by dividing the net income by sales over a reporting period. For example: if company earns net income for \$25,000 in a reporting period and its sales amounted to \$250,000, the profit margin ratio can be calculated as follows: Profit Margin Ratio: Net Income/Sales Profit Margin: \$25,000/\$250,000 = 10% Return on Investment Assets: Return on investment can be arrived by dividing the Net Income by Total Assets. For example if company Total Assets are \$200,000, its return on assets ratio will be as follows: Return on Assets: Net Income/Total Assets RO: \$25,000/\$200,000 = 12.5% Return on Equity: Return on equity ratio is calculated as dividing the Net Income by Net equity. In other words if company Net equity is worth at \$100,000, its Return on Equity ratios will look like as follows: Return on Equity: Net Income/ Net Equity = \$25,000/\$100,000 = 25% Gross Margin Ratio: Gross Margin Ratio can be calculated by dividing the Gross profit by Net Sales. For example: If company gross profit is \$50,000 and its net Sales are \$250,000. The Gross Profit Margin ration will look like as follows: Gross Profit Margin Ratio: Gross Profit/ Net Sales = \$50,000/\$250,000 = 20% 2. Liquidity Ratios: Liquidity ratios determined the company ability to pay its short term obligations normally due within 12 months. There are mainly four liquidity ratio that business or companies would like to find out if they have enough cash to pay its short term debt: Current Ratio: Current ratio is also known as working capital ratio. The current ratio is calculated by dividing the current assets to current liabilities. For example: If Company net current assets are \$150,000 and its net current liabilities are \$75,000. The company current ratio will look like as follows: Current Ratio: Current Assets/ Current Liabilities = \$150,000/\$75,000 = 2 Times Quick Ratio: Quick ratio is calculated by subtracting inventory from Current Assets divided by Current Liabilities. For Example: Company inventory in hand at the end of reporting period amounted to \$75,000. Quick Ratio: Current Assets-Inventory/ Current Liabilities \$150,000-\$75,000/\$75,000 = 1.1 Cash Ratio: Cash ratios are calculated adding Cash and Marketable Securities divided by Current Liabilities. For Example: If company balance sheet shows cash in hand equal to \$100,000 and its marketable securities on books amounted to \$50,000, the its cash ratio should look like this: Cash Ratio: Cash + Marketable Securities/ Current Liabilities \$100,000 + \$50,000/\$75,000 = 2 times Operating Cash Flow: Operating cash flow ratio is calculated as dividing the Operating Cash Flow by Total Debts. For example: company operating cash flow shows \$150,000 and Total debt shows \$75,000, its operating cash flow ratio should look like this: Operating Cash Flow: Operating Cash Flow/Total Debts \$150,000/\$75,000 = 2 Times 3. Debt Ratios: Debt ratios are also known as leveraging ratios. The ratio is defined as the ratio of total debt to total assets expressed as percentage. These ratios can be interpreted as the proportion of total company's assets that are financed by company's debt. The higher of these ratios represent that the company is more leveraged with its debt associated with more financial risk. There are mainly four debt ratios Companies would like to know: Debt Equity Ratio: Debt equity ratio represent the shareholders equity and the debt used to finance company's assets. The debt equity ratio can be interpreted as proportion of long term debt plus Value of Leases divided by Total Assets. Debt Equity Ratio: Total Liabilities/ Shareholder Equity For Example: if a company has its total liabilities of \$200,000 and total shareholders' equity of \$800,000. its debt to equity ratio will look this: Debt Equity Ratio: \$200,000/\$800,000 = .25 Total Debt Ratio: Total debt ratio represent the company total liabilities to total assets. The lower the ratio means the company is less dependent on its leverage. In other words, the higher the ratio, the more risk company is taking. For Example: Let's assume company total assets at the end of reporting period amounted to \$900,000 on the balance sheet. So the total debt ratio will look like this: Debt Ratio: Total Liabilities/Total Assets Debt Ratio: \$200,000/\$900,000 = 22% Interest Coverage Ratio: Interest coverage ratio is commonly used by companies to determine if it can pay interest expenses on its outstanding debt. The ration is calculated by dividing the company earnings before interest and taxes (EBIT) by the total interest expenses. The lower the ratio, the more the company is burdened by its debt expenses. The ratio of less than 1.5 is considered risky as company ability to pay interest expenses will be questionable. For Example: ABC LTD has its earnings before interest and taxes amounted to \$200,000 and interest expenses amounted to \$28,000. Interest Coverage Ratio: Earnings before Interest and Taxes/ Interest Expenses Interest Coverage Ratio: \$200,000/\$28,000 = 7.14 This represent that the company has good margin of safety to cover its interest expenses. Cash Flow to Debt Ratio: The cash flow to debt ratio is calculated by dividing the company operating cash flow by total debt. The ratio tell the business owner if they have the ability to cover their debt from its operating cash flow earning. The higher the ratio is, the chances that better the business owner to carry its total debt. For Example: The Company ABC Ltd. have total operating cash flow amounted to \$100,000 and its total debt at the end of reporting period are \$130,000. The cash flow to debt ratio will look this: Cash Flow to Debt Ratio: Operating Cash Flow/Total Debt Cash Flow to Debt Ratio: \$100,000/ \$130,000 = .77 4. Activity Ratios: Activity ratios are those ratios that all business owners like to know if they have the ability to convert different accounts of balance sheet in to cash or sales. These ratios widely used to measure the relative efficiency of a company assets, leverage or other balance sheet items. There are mainly three activity ratios that businesses would like to know: Stock Turnover Ratio: Stock turnover ratio can be calculated by dividing the cost of goods sold by average inventory. Generally the stock turnover ratio can also be calculated by dividing the sales by inventory. A low turnover is normally considered a bad sign because products value tend to deteriorate as they sit in the warehouse for longer than average period of time. Stock Turnover Ratio: Sales/ Inventory OR Stock Turnover Ratio: Cost of Goods Sold/ Average Inventory For Example: If a company shows its sales at the end of reporting period amounted to \$500,000 and its inventory shows total to \$200,000, then stock turnover ratio should look like as follows: Stock Turnover Ratio \$500,000/\$200,000 = 2.5 Assets Turnover Ratios: Assets turnover ratio is calculated by dividing the sales or Revenues by Total assets. Generally speaking, the higher the ratio, the better it is as company generating more revenue per dollar of assets. For Example: ABC LTD. has total sales at the end of reporting period amounted to \$500,000 and its total assets appears on balance sheet at the end of reporting period amounted to \$750,000. Then assets turnover ratio can be calculated as follows: Assets Turnover Ratio: \$500,000/\$750,000 = 67% Inventory Conversion Ratio: Inventory conversion ratio is calculated by total inventory to cost of sales divided by 365. The inventory conversion is measured as against the time required to acquire raw materials for a product, manufacture and then sell it. Inventory Conversion Ratio Inventory/Cost of Sales/365 In addition to helping management and owners of business in diagnosing the financial health of their company or business, ratios can also helpful for managers to make decisions about investments or projects that the company is considering to take, such as acquisitions, or expansion. Still confused or need to brush up your knowledge on financial ratios? Connect with our Online Accounting Tutor and get the help right away.**

[adding and subtracting unlike fractions worksheets with answers setulanugurus.pdf](#)
[160a2719a25d54---38522901670.pdf](#)
[36902752541.pdf](#)
[ejemplo.ficha.de.trabajo.artificer.pdf.5e](#)
[tofofutodebovivorimuv.pdf](#)
[formule.excel.arrodi.à.la.dizaine.supérieure](#)
[1608bfc5c497ae---18811167064.pdf](#)
[comparative.and.superlative.of.wet](#)
[91164274755.pdf](#)
[69678021987.pdf](#)
[16073951131014---96419586262.pdf](#)
[pit.boss.electric.smoker.rib.recipes](#)
[tabloid.and.broadsheet.differences.k](#)