

CA - SBC Accounting Ratios Worksheet

Determine and explain the meaning of each ratio for this quarter in the context of your firm (show calculations):

Current Ratio:

Interpretation for your organization:

Meaning/Goals for future quarters based on the current ratio:

Inventory Turnover Period:

Interpretation for your organization:

Meaning/Goals for future quarters based on the inventory turnover period:

Equity Ratio (use shareholder's equity instead of owner's equity):

Interpretation for your organization:

Meaning/Goals for future quarters based on the equity ratio:

Debt Ratio (calculate only if applicable):

Interpretation for your organization:

Meaning/Goals for future quarters based on the equity ratio:

Return on Equity:

Interpretation for your organization:

Meaning/Goals for future quarters based on the rate of return on average owner's equity:

Rate of Return on Net Sales:

Interpretation for your organization:

Meaning/Goals for future quarters based on the rate of return on average owner's equity:

At the end of the game, make a chart of shareholder's equity, sales and inventory for all the quarters to determine trends in these areas and interpret these charts.

Chart each of the following for all the quarters:

- Your firm's selling price and the average selling price
- Your firm's advertising expenditure with the average advertising expenditure
- Your firm's research and development expenditure with the average research and development expenditure
- Your firm's plant and equipment expenditure with the average plant and equipment expenditure
- Your firm's sales support expenditure with the average sales support expenditure

Use these charts to provide an explanation of how you could have achieved better results in the game.