**FORMULAE FOR ANALYSIS OF FINANCIAL INFORMATION**

**For Sole Proprietors and Partnerships**

- **Mark Up Percentage**
  \[
  \text{Mark Up Percentage} = \frac{\text{Gross Profit}}{\text{Cost of Sales}} \times \frac{100}{1}
  \]

- **Gross Profit Percentage**
  \[
  \text{Gross Profit Percentage} = \frac{\text{Gross Profit}}{\text{Net Sales}} \times \frac{100}{1}
  \]

- **Expenses Percentage**
  \[
  \text{Expenses Percentage} = \frac{\text{Expenses}}{\text{Net Sales}} \times \frac{100}{1}
  \]

- **Net Profit Percentage**
  \[
  \text{Net Profit Percentage} = \frac{\text{Net Profit}}{\text{Net Sales}} \times \frac{100}{1}
  \]

- **Return on Average Owners Equity**
  \[
  \text{Return on Average Owners Equity} = \frac{\text{Net Profit}}{\text{Average Owners Equity}} \times \frac{100}{1}
  \]

- **Return on Average Total Assets**
  \[
  \text{Return on Average Total Assets} = \frac{\text{Net Profit}}{\text{Average Total Assets}} \times \frac{100}{1}
  \]

- **Working Capital Amount**
  \[
  \text{Working Capital Amount} = \text{Current Assets} - \text{Current Liabilities}
  \]

- **Current Ratio**
  \[
  \text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}
  \]

- **Liquid Ratio**
  \[
  \text{Liquid Ratio} = \frac{\text{Current Assets} - (\text{Inventories and Prepayments})}{\text{Current Liabilities} - (\text{Secured Bank Overdraft})}
  \]

- **Equity Ratio**
  \[
  \text{Equity Ratio} = \frac{\text{Owners Equity}}{\text{Total Assets}}
  \]

- **Debt Ratio**
  \[
  \text{Debt Ratio} = \frac{\text{Total Liabilities}}{\text{Total Assets}}
  \]

- **Inventory Turnover**
  \[
  \text{Inventory Turnover} = \frac{\text{Cost of Goods Sold}}{\text{Average Inventories}}
  \]

- **Accounts Receivable Collection Period**
  \[
  \text{Accounts Receivable Collection Period} = \frac{\text{Average Accounts Receivable}}{\text{Net Credit Sales}} \times \frac{365}{1}
  \]
For Companies

- **Net Profit Percentage**: \( \frac{\text{Net Profit before Tax}}{\text{Net Sales}} \times \frac{100}{1} \)

- **Return on Shareholders Equity Percentage**: \( \frac{\text{Net Profit before Tax}}{\text{Average Owners Equity}} \times \frac{100}{1} \)

- **Return on Average Total Assets**: \( \frac{\text{Net Profit before Tax}}{\text{Average Total Assets}} \times \frac{100}{1} \)

- **Earning per Share**: \( \frac{\text{Net Profit after Tax}}{\text{Average Number of shares}} \times \frac{100}{1} \)

- **Price Earnings ratio**: \( \frac{\text{Market Price per Share}}{\text{Earnings per Share}} \)

- **Dividend Yield**: \( \frac{\text{Dividend per share}}{\text{Market Price per Share}} \times \frac{100}{1} \)