

United Construction Pvt. Ltd
Ratio Analysis
Input Worksheet
3/7/2012

Gray cells will be calculated for you. You do not need to enter anything into them.

Line Item	Beginning of Year
Total assets	\$101,000
Owners' equity	\$1,000
Number of common shares	100

Line Item	2009	2010	2011
Current assets	21,000	855,760	933,293
Fixed assets	80,000	2,290,886	3,810,524
Total assets	101,000	3,146,646	4,743,816
Average total assets	50,500	1,573,323	2,371,908
Cash and cash equivalents	2,010	543,507	1,355,702
Current liabilities	-	3,146,646	5,698,702
Total liabilities	100,000	3,146,456	5,698,702
Owners' equity	1,000	-141,506	-950,886
Number of common shares	100	100	100
Average number of common shares	50	50	50
Average owners' equity	500	-707,533	-475,443
Market price per share	10.00	10.00	10.00
Total sales	-	25,247,329	11,822,196
Operating expenses	-	4,781,117	2,198,639
Operating income	-	-141,506	-69,105
Earnings before interest and taxes	-	-141,506	-69,105
Net income	-	-141,506	-809,380
Total loan	100,000	1,317,000	2,550,230
Value of collateral or property	-	1,516,886	2,132,524

JM Portfolio Sample

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Liquidity Ratios	2010	2011
Definition:		
Current Ratio = $\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.57 = $\frac{\$855,760}{\$543,507}$	0.16 = $\frac{\$933,293}{\$5,693,702}$
Industry Average	2.00	2.00
Variance	(0.43)	(1.84)
Quarterly Growth/Decline		(1.41)
Net Working Capital Ratio = $\frac{\text{Current Assets} - \text{Current Liabilities}}{\text{Total Assets}}$	0.10 = $\frac{\$855,760 - \$543,507}{\$3,146,646}$	(1.00) = $\frac{\$933,293 - \$5,693,702}{\$4,743,816}$
Industry Average	2.00	2.00
Variance	(1.90)	(3.00)
Quarterly Growth/Decline		(1.10)
Cash Ratio = $\frac{\text{Cash and Cash Equivalents}}{\text{Current Liabilities}}$	0.17 = $\frac{\$543,507}{\$3,146,646}$	0.00 = $\frac{\$1,355}{\$5,693,702}$
Industry Average	2.00	2.00
Variance	(1.83)	(2.00)
Quarterly Growth/Decline		(0.17)
Operating Ratio = $\frac{\text{Operating Expenses}}{\text{Operating Income}}$	(33.79) = $\frac{\$4,781,117}{-\$141,506}$	(31.82) = $\frac{\$2,198,639}{-\$69,105}$
Industry Average	2.00	2.00
Variance	(35.79)	(33.82)
Quarterly Growth/Decline		1.97
The following calculations can be used for any expense line item or grouping of expense line items:		
Operating Expense to Sales Ratio = $\frac{\text{Operating Expense}}{\text{Total Sales}}$	0.19 = $\frac{\$4,781,117}{\$25,247,329}$	0.19 = $\frac{\$2,198,639}{\$11,822,196}$
Industry Average	2.00	2.00
Variance	(1.81)	(1.81)
Quarterly Growth/Decline		(0.00)

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Asset Ratios	2010	2011
Definition:		
Fixed Assets Turnover Ratio = $\frac{\text{Total Sales}}{\text{Fixed Assets}}$	11.02 = $\frac{\$25,247,329}{\$2,290,886}$	3.10 = $\frac{\$11,822,196}{\$3,810,524}$
Industry Average	2.00	2.00
Variance	9.02	1.10
Quarter Growth/Decline		(7.92)
Total Assets Ratio = $\frac{\text{Total Sales}}{\text{Total Assets}}$	8.02 = $\frac{\$25,247,329}{\$3,146,646}$	2.49 = $\frac{\$11,822,196}{\$4,743,816}$
Industry Average	2.00	2.00
Variance	6.02	0.49
Quarter Growth/Decline		(5.53)
Asset to Equity Ratio = $\frac{\text{Total Assets}}{\text{Owners' Equity}}$	(22.24) = $\frac{\$3,146,646}{-\$141,506}$	(4.99) = $\frac{\$4,743,816}{-\$950,886}$
Industry Average	2.00	2.00
Variance	(24.24)	(6.99)
Quarter Growth/Decline		17.25

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Profitability Ratios	2010	2011
Definition:		
Return on Assets Ratio = $\frac{\text{Net Income}}{\text{Average Total Assets}}$	(0.09) = $\frac{-\$141,506}{\$1,573,323}$	(0.34) = $\frac{-\$809,380}{\$2,371,908}$
Industry Average	2.00	2.00
Variance	(2.09)	(2.34)
Quarter Growth/Decline		(0.25)
Return on Equity Ratio = $\frac{\text{Net Income}}{\text{Average Owners' Equity}}$	2.00 = $\frac{-\$141,506}{-\$70,753}$	1.70 = $\frac{-\$809,380}{-\$475,443}$
Industry Average	2.00	2.00
Variance	0.00	(0.30)
Quarter Growth/Decline		(0.30)
Profit Margin Ratio = $\frac{\text{Net Income}}{\text{Total Sales}}$	(0.01) = $\frac{-\$141,506}{\$25,247,329}$	(0.07) = $\frac{-\$809,380}{\$11,822,196}$
Industry Average	2.00	2.00
Variance	(2.01)	(2.07)
Quarter Growth/Decline		(0.06)
Basic Earnings Power Ratio = $\frac{\text{Earnings Before Interest and Taxes}}{\text{Total Assets}}$	(0.04) = $\frac{-\$141,506}{\$3,146,646}$	(0.01) = $\frac{-\$809,380}{\$4,747,816}$
Industry Average	2.00	2.00
Variance	(2.04)	(2.01)
Quarter Growth/Decline		0.13

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Debt Ratios	2009	2010	2011
Definition:			
Total Debt Ratio = $\frac{\text{Total Liabilities}}{\text{Total Assets}}$	0.99 = $\frac{\$100,000}{\$101,000}$	(0.04) = $\frac{-\$141,506}{\$3,146,646}$	1.20 = $\frac{\$5,693,702}{\$4,743,816}$
Industry Average	2.00	2.00	2.00
Variance	(1.01)	(2.04)	(0.80)
Quarter Growth/Decline		(1.04)	1.25
Debt/Equity Ratio = $\frac{\text{Total Liabilities}}{\text{Owners' Equity}}$	100.00 = $\frac{\$100,000}{\$1,000}$	1.00 = $\frac{-\$141,506}{-\$141,506}$	(5.99) = $\frac{\$5,693,702}{-\$950,886}$
Industry Average	2.00	2.00	2.00
Variance	98.00	(1.00)	(7.99)
Quarter Growth/Decline		(99.00)	(6.99)
Loan to Value Ratio = $\frac{\text{Total Loan}}{\text{Value of Collateral or Property}}$		0.87 = $\frac{\$1,317,000}{\$1,516,886}$	1.20 = $\frac{\$2,550,230}{\$2,132,524}$
Industry Average		2.00	2.00
Variance		(1.13)	(0.80)
Quarter Growth/Decline		0.87	0.33

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Market Ratios	2010	2011
Definition:		
Earnings per Share (EPS) Ratio = $\frac{\text{Net Income}}{\text{Average Number of Common Shares}}$	$(\$2,830.12) = \frac{-\$141,506}{50}$	$(\$16,187.60) = \frac{-\$809,380}{50}$
Industry Average	2.00	2.00
Variance	(2832.12)	(16189.60)
Quarter Growth/Decline		(13357.48)
Price to Earnings Ratio = $\frac{\text{Market Price per Share}}{\text{Earnings per Share}}$	$(0.00) = \frac{\$10.00}{-\$2,830.12}$	$(0.00) = \frac{\$10.00}{-\$16,187.60}$
Industry Average	2.00	2.00
Variance	(2.00)	(2.00)
Quarter Growth/Decline		0.00

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