

## CHAPTER- RATIO ANALYSIS

		GTSE	Self Evaluation Grades			
Sr.No.	Topic	Sub-Topic	Date			
1	Ratio Analysis	(i) Meaning and need				
2	Accounting Ratio	(i) Meaning and need				
3	Forms of Expressing Ratio	(i) In Proportion				
		(ii) Time				
		(iii) Percentage				
		(iv) Fraction				
4	Advantages of Ratio Analysis	(i) To simplify complex data				
		(ii) To Judge the operating efficiency of business				
		(iii) To comparison of the performance				
		(iv) To facilitate planning and forecasting				
		(v) To find weaknesses				
		(vi) To provide information				
		(vii) To analyse the long term solvency position				
		(viii) To communicate relevant information				
5	Limitations of Ratio Analysis	(i) Limited use of single ratio				
		(ii) Lack of adequate standard				
		(iii) Change of accounting Procedure				
		(iv) Window Dressing				
		(v) No free from bias				
		(vi) Price level change				
		(vii) Ignore factors				
		(viii) False results				
		(ix) Misleading results				
		(x) Only symptoms and not cure				
		(xi) Difficult to forecast				
		(xii) Historical Analysis				



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		<b>CTSE</b>	<b>Self Evaluation Grades</b>			
Sr.No.	Topic	Sub-Topic	Date			
6	Classifications of Ratios	<b>(A) Analysis Short term financial ratio</b>				
		(i) Current Ratio				
		(ii) Liquidity Ratio				
		<b>(B) Analysis Long term financial Ratio</b>				
		(i) Debt Equity Ratio				
		(ii) Total Assets to debt ratio				
		(iii) Proprietors Ratio				
		(iv) Interest Coverage Ratio				
		<b>(C) Activity/ Current Assets Movement/Efficiency Ratio</b>				
		(i) Inventory Ratio				
		(ii) Trade Receivable Turnover Ratio				
		(iii) Trade Payable Turnover Ratio				
		(iv) Working Capital Turnover Ratio				
		<b>(D) Analysis of Profitability Ratio</b>				
		(i) Gross Profit Ratio				
		(ii) Operating Ratio				
		(iii) Operating Profit Ratio				
		(iv) Net Profit Ratio				
		(v) Return on investment Ratio				
		<b>Signature of Student</b>				
		<b>Signature of Mentor/Teacher</b>				
<b>Key To Grades</b>			This self Evaluation sheet has four date columns. Student shall fill grades to all topics in one date column in a sitting. By the fourth attempts, all grades should be 'A' for getting best marks in exams.			
Write 'A' if you know the concept fully (when you know 100%)						
Write 'B' if you need revision once (when you know between 75%-100%)						
Write 'C' if you know the concept partially (when you know about 50%)						
Write 'D' if you know the concept very little (when you know about 25%)						
Write 'E' if you don't know the concept at all (when you know 0%)						



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