Budgeto Ratios Formulas
Revision 2.1

LEVERAGE RATIOS	FORMULAS
Debt-to-asset	Total liabilities [balance sheet] / Total assets [balance sheet]
Debt-to-equity	Total liabilities [balance sheet] / Total equity [balance sheet]

LIQUIDITY RATIOS	FORMULAS
Current ratio	Total current assets [balance sheet] / Total current liabilities [balance sheet]
Quick ratio	(Total short-term assets [balance sheet] - Inventories [balance sheet] - Prepaid expenses [balance sheet]) / Total short-term liabilities [balance sheet]
Repayment ratio	Cash at end [cash flow] / (Total current liabilities [balance sheet] + Interest on longt-term debt [profit & loss])
Inventory / working capital	Inventory [balance sheet] / (Total current assets [balance sheet] - Total current liabilities [balance sheet])
Interest coverage	(Profit before tax [profit & loss] + Depreciation of fixed assets [profit & loss]) / Interest on long-term debt [profit & loss]
Debt-to-equity ratio	(Long-term debt [balance sheet] + Current portion of Short-term debt on Long-term debt [balance sheet]) / (Total shareholders' equity [balance sheet])
Liquidity ratio	Interest on long-term debt [profit & loss] / (Profit before income tax [profit & loss] + Amortization of capital assets [profit & loss])

OPERATING RATIOS	FORMULAS
Turnover per employee	Net sales [profit & loss] / Average number of employees
Average inventory turnover	365 x ((Inventory [balance sheet year 0] - Inventory [balance sheet year 1]) / 2) / Total cost of goods sold [profit & loss]
Average collection period	(365 x Accounts receivable [balance sheet]) / Net Sales [profit & loss]
Average days payable	(365 x Accounts payable [balance sheet]) / Total cost of goods sold [profit & loss]
Assets turnover	Net sales [profit & loss] / Total assets [balance sheet]
Return on assets	Profit before income tax [profit & loss] / Total assets [balance sheet]
Capital assets turnover	((Fixed assets [balance sheet year 0] + Fixed assets [balance sheet year 1])/2)/ total turnover [profit & loss]
Inventory turnover	Total cost of goods sold [profit & loss] / Inventory [balance sheet]

PROFITABILITY RATIOS	FORMULAS
Break-even point (in $ of revenues)	Total operating expense [profit & loss] / (Gross profit [profit & loss] / Total net income [profit & loss])
Break-even point (in days)	Break-even point (in $ of turnover)/(Total net income [profit & loss])/365)
Break-even point (in months)	Break-even point (in days)/ (365/12)