

# Financial Ratios

(Crossword Puzzle #1)

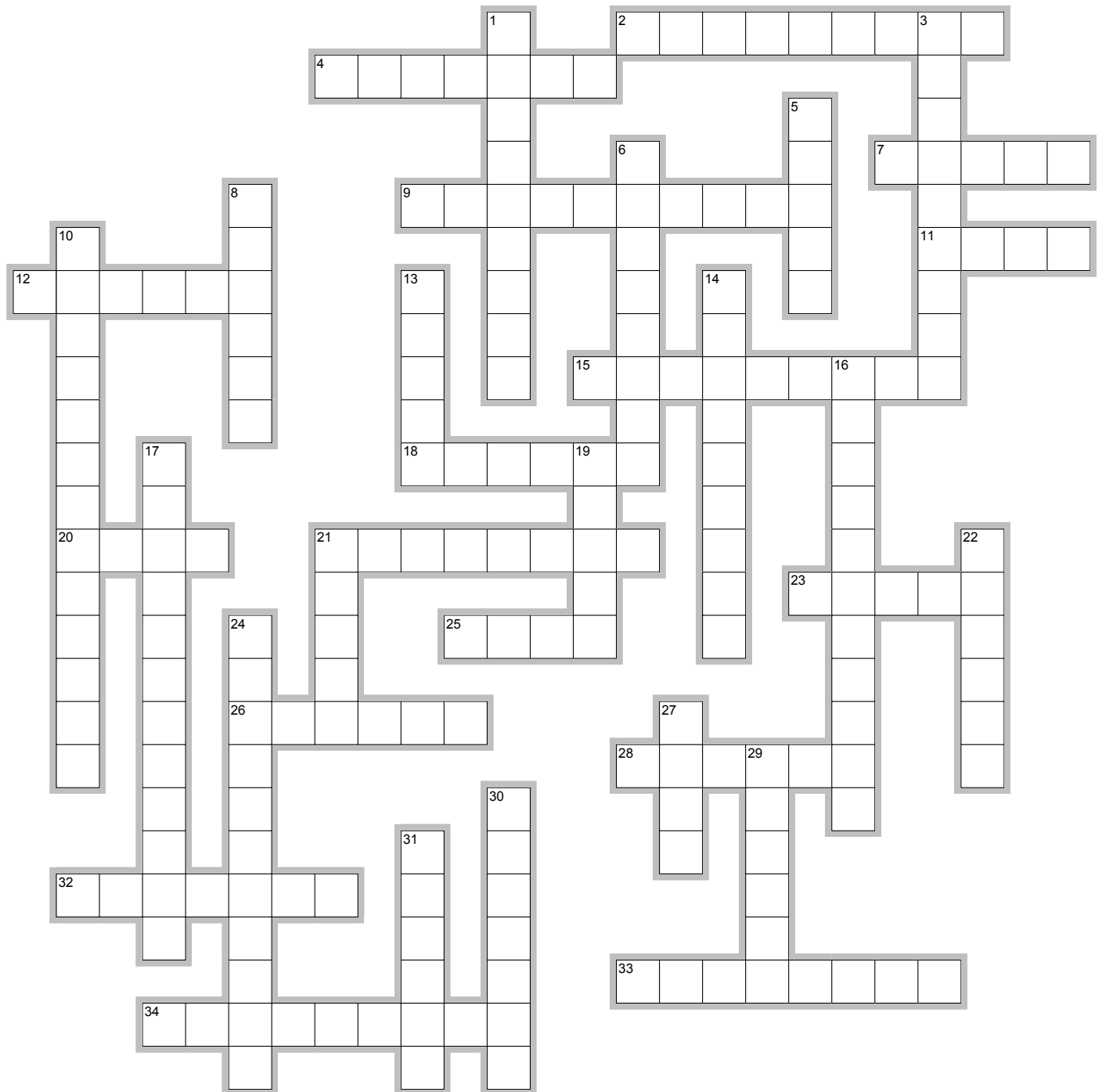


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# Crossword Puzzle (Financial Ratios #1)



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## ACROSS (Financial Ratios #1)

2. At a corporation with preferred stock, the numerator for earnings per share is net income \_\_\_\_\_ for common stockholders.
4. A common ratio that indicates a company's liquidity.
7. For this liquidity ratio, Inventory is excluded from the current assets.
9. Calculating the change (amount and percentage) from one year to the next is referred to as \_\_\_\_\_ analysis.
11. Another name for loans payable.
12. The numerator in the receivable turnover ratio is net \_\_\_\_\_ sales.
15. The cost of goods sold is the numerator of this turnover ratio.
18. A higher debt to \_\_\_\_\_ ratio indicates more risk than a lower ratio.
20. Another term for carrying value is \_\_\_\_\_ value.
21. One way to determine the number of days' sales in the average inventory is to divide 360 by the inventory \_\_\_\_\_ ratio.
23. The denominator in a turnover \_\_\_\_\_ should be the average balance of the balance sheet account.
25. Another name for the quick ratio is the \_\_\_\_\_ test.
26. Resources of a company that have future economic value that can be measured. They also include prepaid expenses.
28. \_\_\_\_\_ size financial statements result from vertical analysis.
32. Current assets minus current liabilities equals \_\_\_\_\_ capital.
33. The type of analysis in which all amounts on the income statement are divided by net sales, and all amounts on the balance sheet are divided by total assets.
34. The net cash provided by \_\_\_\_\_ activities (reported on the statement of cash flows) can provide insight into the quality of a company's earnings as well as information on the company's ability to meet its obligations.

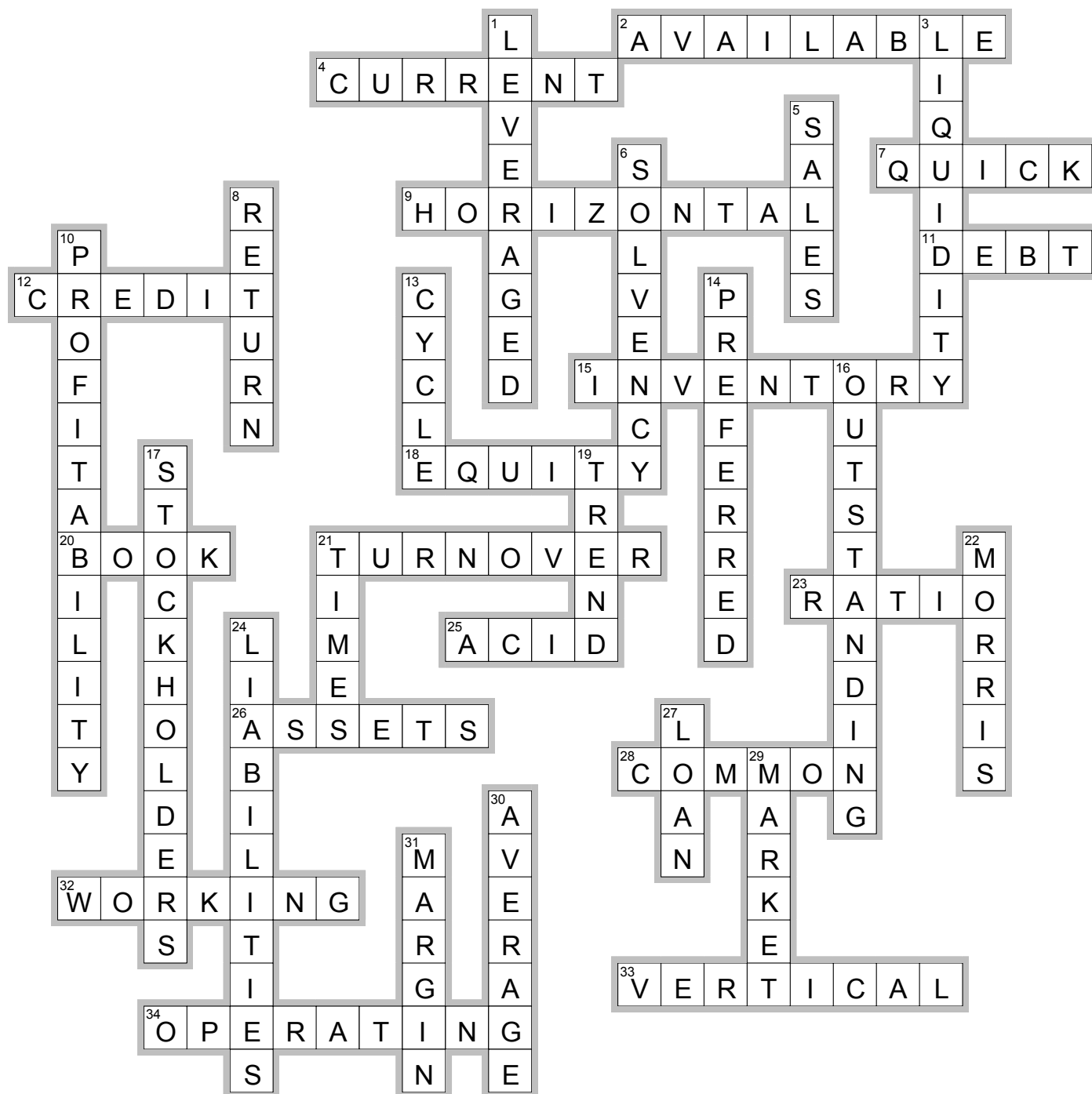
## Down (Financial Ratios #1)

1. A company with a large amount of debt and very little owner investment is said to be highly \_\_\_\_\_.
3. Working capital, the current ratio, and the quick ratio are indicators of a company's \_\_\_\_\_.
5. The numerator used in the computation of total asset turnover is net \_\_\_\_\_.
6. The debt to equity ratio, debt to total assets, and the times interest earned ratio are indicators of a company's leverage and its \_\_\_\_\_.
8. The \_\_\_\_\_ on assets is net income after taxes divided by average total assets.
10. The return on assets ratio, the profit margin ratio, and the return on stockholders' equity are indicators of a company's \_\_\_\_\_.
13. Working capital and its components include items that will turn to cash or will require the use of cash within one year of the balance sheet or within the operating \_\_\_\_\_, if that is longer than one year.
14. \_\_\_\_\_ dividend requirements are deducted from a corporation's net income in the earnings per share calculation.
16. The denominator for earnings per share is the weighted-average number of \_\_\_\_\_ shares of common stock.
17. When a corporation is asked to provide its debt to worth ratio, an accountant would prefer that the ratio would be worded as debt to \_\_\_\_\_ equity. (plural)
19. Horizontal analysis is also referred to as \_\_\_\_\_ analysis.
21. A ratio that focuses on a company's ability to pay its interest obligations is the \_\_\_\_\_ interest earned ratio.
22. RMA (formerly Robert \_\_\_\_\_ Associates) publishes financial ratios and other statistics for many different industries and companies of varying sizes.
24. A balance sheet category that includes obligations of a company including customer deposits and unearned revenues.

## Down (Financial Ratios #1)

- 27. A \_\_\_\_\_ agreement might require that a borrower maintain a certain amount of working capital or it will be in default.
- 29. A common stock's \_\_\_\_\_ price per share divided by the earnings per share of the common stock is the price-earnings ratio.
- 30. The denominator of the accounts receivable turnover ratio is the \_\_\_\_\_ accounts receivable.
- 31. The gross profit \_\_\_\_\_ or ratio is computed by dividing the gross profit by net sales.

# Solutions (Financial Ratios #1)



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