

# A S S I G N M E N T

## Principles of Finance

Course Code: FIN 101

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## BEXIMCO DENIMS LIMITED

### Ratio Analysis

Items	Year		
	2002	2003	2004
Total Current Asset	1,130,796,079	1,298,095,464	1,506,964,666
Fixed Asset	530,990,549	475,248,694	403,922,157
Total Asset	1661786628	1773344158	1910886823
Current Liability	1,064,528,049	1,347,095,524	1,300,484,525
Long term Debt	0	64,505,000	92,196,865
Account Payable/ Trade Creditors	585,932,367	734,062,468	889,813,966
Total Debt/ Total Liability	1206018945	1417789543	1549794832
Total Equity	455,767,683	355,554,615	361,091,991
Accounts Receivables/ Trade debtors	828,880,879	479,901,025	485,765,493
Inventory/ Stock	686,683,654	788,618,534	992,339,243
Cash and Cash equivalents	224,673	511,206	3,282,141
Share Outstanding	2000000	2200000	2200000
Net Income	-70,298,023	-100,213,068	5,537,376
Sales/ Turnover	504,992,324	499,009,514	534,081,647
Cost of Goods Sold	474,013,609	466,669,682	386,469,942
Earning Before interest and tax	-70,298,023	-100,213,068	6,514,560
Retained Earnings	-70,298,023	-100,213,068	8,773,018
Interest Charges/ Financial Expenses	67,785,759	84,327,406	101,927,121
Operating Expenses	33490979	48225494	38844296
Other Expense	0	0	0
Market Price Per Share	125	68.75	100.56

#### Liquidity Ratios

Current Ratio	1.062251089	0.963625401	1.158771702		
Quick Ratio	0.417191849	0.378204011	0.395718221		
Cash Ratio	0.000211054	0.000379488	0.002523783		

#### Efficiency Ratios

Inventory Turnover Ratio	0.735407521	0.632764122	0.538204702		
Inventory Turnover Period	496.3234525	576.8342223	678.1806223		
Receivables Turnover Ratio	0.609245957	1.039817562	1.099463949		
Receivables Turnover Period	599.1012268	351.0231152	331.9799621		
Total Asset Turnover Ratio	0.303885177	0.281394625	0.279494128		
Fixed Asset Turnover Ratio	0.951038253	1.049996602	1.322239045		

#### Debt Management Ratio

Debt/ Asset Ratio	0.72573634	0.799500501	0.811034339		
Long Term Debt Ratio	0	0.04549688	0.059489723		
Time Interest Earned	-1.037061826	-1.188380774	0.063913902		

Profitability Ratio					
Profit Margin	-0.139206122	-0.200823963	0.010368033		
Return on Asset	-0.042302677	-0.056510784	0.002897804		
Return on Equity	-0.154240912	-0.281849999	0.015335084		

Market Book					
Earning Per Share	303.78	212.47	269.46		
Price Earning Ratio	0.411481994	0.323575093	0.373190826		
Market to Book Ratio	0.54852507	0.42539175	0.612674901		

**Please Turn Over...**

## 2002

1. Current Ratio: The Company has 1.062 times more ability to pay the current liability.
2. Acid test/ Quick Ratio: The Company has 0.417 times more quick asset to pay the current liability.
3. Cash Ratio : The company has 0.000211 times more cash to pay the current liability
4. Inventory turn over ratio: The Company converted inventory to account receivable 0.735 times in a year.
5. Inventory turn over Period: The Company had 496.3234 days to convert inventory to account receivable.
6. Receivable turn over ratio: The Company collects their account receivable 0.6092 times in year.
7. Receivable turn over period: The Company has 599.1012 days to convert account receivable to cash.
8. Total asset over ratio: Using of 1 taka fixed asset the company earn 0.3038 taka of sales.
9. Total asset turn over ratio: Using of 1 taka total asset the company earn 0.951 taka of sales.
10. Debt ratio: The Company raised 72.57% of total capital from debt sources.
11. Time interest Earned: The Company can give interest -1.037 times of its operating income.
12. Profit Margins: The Company earned 13.92 taka Loss at per 100 taka revenue.
13. Return on asset: The Company loss of 4.23 taka out of 100 taka asset.
14. Return on Equity: The Company lose 15.42 taka for every 100 taka, invested by common shareholders.
15. Earning per share: The Company earned 303.78 taka per share.
16. Price Earning Ratio: Price earning ratio is 4.11%.
17. Market Book Ratio: Market book ratio is 54.85%.

## 2003

1. Current Ratio: The Company has 0.964 times more ability to pay the current liability.
2. Acid test/ Quick Ratio: The Company has 0.3782 times more quick asset to pay the current liability.
3. Cash Ratio : The company has 0.000379 times more cash to pay the current liability
4. Inventory turn over ratio: The Company converted inventory to account receivable 0.6327 times in a year.
5. Inventory turn over Period: The Company had 576.834 days to convert inventory to account receivable.
6. Receivable turn over ratio: The Company collects their account receivable 1.0398 times in year.
7. Receivable turn over period: The Company has 351.0231 days to convert account receivable to cash.
8. Fixed asset turn over ratio: Using of 1 taka fixed asset the company earn 1.049 taka of sales.
9. Total asset turn over ratio: Using of 1 taka total asset the company earn 0.2813 taka of sales.
10. Debt ratio: The Company raised 79.95 % of total capital from debt sources.
11. Time interest Earned: The Company can give interest -1.188 times of its operating income.
12. Long term Debt ratio : 4.549 % of the asset invested by long term Debt ratio
13. Profit Margins: The Company loses 20.082 taka Profit at per 100 taka revenue.
14. Return on asset: The Company earned a profit of 5.651 taka out of 100 taka asset.
15. Return on Equity: The Company lost 28.184 taka for every 100 taka, invested by common shareholders.
16. Earning per share: The Company earned 212.47 taka per share

17. Price Earning Ratio: Price earning ratio is 32.35%.

18. Market Book Ratio: Market book ratio is 42.53%.

## **2004**

1. Current Ratio: The Company has 1.158 times more ability to pay the current liability.
2. Acid test/ Quick Ratio: The Company has 0.3957 times more quick asset to pay the current liability.
3. Cash Ratio : The company has 0.002523 times more cash to pay the current liability
4. Inventory turn over ratio: The Company converted inventory to account receivable 0.5382 times in a year.
5. Inventory turn over Period: The Company had 678.1806 days to convert inventory to account receivable.
6. Receivable turn over ratio: The Company collects their account receivable 1.099 times in year.
7. Receivable turn over period: The Company has 331.9799 days to convert account receivable to cash.
8. Fixed asset turn over ratio: Using of 1 taka fixed asset the company earn 1.3222 taka of sales.
9. Total asset turn over ratio: Using of 1 taka total asset the company earn 0.2794 taka of sales.
10. Debt ratio: The Company raised 81.103 % of total capital from debt sources.
11. Time interest Earned: The Company can give interest 0.06391 times of its operating income.
12. Long term Debt ratio : 5.948 % of the asset invested by long term Debt ratio

- 13. Profit Margins: The Company earned 1.036 taka Profit at per 100 taka revenue.
- 14. Return on asset: The Company earned a profit of 0.2897 taka out of 100 taka asset.
- 15. Return on Equity: The Company earned 1.5335 taka for every 100 taka, invested by common shareholders.
- 18. Earning per share: The Company earned 269.46 taka per share
- 19. Price Earning Ratio: Price earning ratio is 37.31%.
- 20. Market Book Ratio: Market book ratio is 61.26%.