Appendix - VII
Ratios Used by Economists in Assessing Business Performance

A. Growth Ratios
(1) Net worth (paid up capital + forfeited shares + reserves and surplus); (2) bank borrowings; (3) fixed assets (gross, net); (4) inventories; (5) fixed assets and inventories; (6) total assets (net, gross); (7) sales; (8) total income; (9) value of production; (10) gross profits; (11) operating profits; (12) profits before tax; and (13) profits after tax.

B. Profit Ratios
(1) Profits as percentage of profits before tax; (2) profits retained as percentage of profits after tax; (3) gross profits as percentage of total net assets; (4) gross profits as percentage of sales; and (5) profits after tax as percentage of net worth.

C. Other Ratios
(1) Gross fixed assets formation as percentage of total uses of funds; (2) gross capital formation as percentage of total uses of funds; (3) external sources of funds as percentage of total sources of funds; (4) increase in bank borrowings as percentage of external sources of funds; (5) net worth as percentage
of liabilities; (6) total borrowings as percentage of total liabilities; (7) short-term bank borrowings as percentage of inventories; (8) short-term borrowings as percentage of inventories; (9) short-term bank borrowings as percentage of inventories plus sundry debtors minus sundry creditors; (10) net fixed assets as percentage of total net assets; (11) sales as percentage of total net assets; (12) inventories as percentage of sales; (13) sundry debtors as percentage of sales; (14) sundry debtors as percentage of sundry creditors; (15) raw materials consumed as percentage of value of production; (16) ratio of current assets to current liabilities; and (17) debt as percentage of equity.