GLOSSARY OF TERMS

Administrative Costs — Costs other than the production costs, excluding the taxes and the interest charges.

Assets Turnover — Net sales by net fixed assets plus current assets.

Capacity Margin — Total plant capacity minus peak load.

Capital employed — Investment in fixed capital, plus net working capital (also loans in the financial institutions).

Capital output Ratio — Capital employed divided by production in value terms.

Capital Turnover — Same as Assets Turnover.

Coverage of Interest Payment — EBIT by the interest payments.

Current Assets — Cash at hand, bank accounts, receivable and liquid assets.

Current Ratio — Current assets by current liabilities.

Debt to equity Ratio — Debt by equity capital.

Debt to Total Capitalisation — Debt by Total Capitalisation.

Funded Debt — Long term loan.

Government Capital — Capital at the beginning of the financial year (Departmental Undertakings).

Gross Capital Formation — Gross fixed assets plus the inventories.

Gross Profit: Total Revenue, plus the closing stock, minus opening stock and costs of production.

Inventory: Stock of finished products, and the raw materials at the end of the accounting year.

Inventory Turnover — Sales by the ending inventories.

Invested Capital — The total investment funds including equity, short and long term loans, reserves, deposits and surpluses.

Margin of Reserve — Capacity margin stated as percentage of peak load (Electricity).
Mean Govt. Capital — Mean of the Government's investment at the beginning and at the end of the financial year in the accounts for the departmental undertakings.

Load Factor — The ratio of average load to peak demand (Electricity).

Net Capital Formation — Net fixed assets plus inventory accumulation.

Net Profit — Profits before the payments of interest charges and taxes.

Net Profit to Sale Ratio — Net profit by net sales.

Net Working Capital Turnover — Net sales by net working capital.

Net Worth — Assets minus liabilities.

Net Worth to Fixed Assets — Equity plus reserves and surpluses divided by net fixed assets.

Operating Profit — Total sales minus cost of goods sold including depreciation and selling expenses.

Operating Profits to Sales — Operating profit divided by net sales.

Operating Ratio — Operating Expenses (which is total of costs of goods sold plus administrative and selling expenses) divided by the net sales.

Plant Factor — The ratio of actual output of electricity to the theoretical output.

Plant Turnover — Investment in Plant Equipment by the gross revenue earned.

Profit Margin — Net profits as percentage of sales.

Return on Capital — Net profit by capital employed.

Total Capitalisation — Equity, all loans and reserves and surpluses.

Turnover — Total sales of the firm at the current prices.

Working Capital — The excess of current assets over current liabilities.