

Alfi´s Key Performance Indicators (KPIs) Part 2

Calculate and evaluate the following KPIs for Alfi's:

Return on Assets (ROA)

Formula Return on Assets:

$EBIT / \text{Total Liabilities \& Equity} \times 100 \% = \text{Return on Assets}$

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Equity Ratio

Formula Equity Ratio:

$\text{Equity} / \text{Total Liabilities \& Equity} \times 100 \% = \text{Equity Ratio}$

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Cash Ratio (Liquidity 1)

Formula Cash Ratio:

$\text{Cash and Cash in Bank} / \text{Accounts Payable} \times 100\% = \text{Cash Ratio}$

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Quick Ratio (Liquidity 2)

Formula Quick Ratio:

(Cash and Cash in Bank + Accounts Receivable) / Accounts Payable
x 100% = Quick Ratio

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Inventory Turnover Ratio

(Assumption: Inventories in the balance sheet =
average inventory level)

Formula Inventory Turnover Ratio:

Cost of Goods Sold / Average Inventory =
Inventory Turnover Ratio

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