



## Across

2. Leverage Ratios are ratios that analyze a company's solvency or the level of its debt financing relative to its equity financing.
4. Financial analysis ratios that measure an assets' activity or efficiency in generating revenues or cash. Total assets / Sales.
8. Ratios that analyze a company's liquidity or its ability to "cover" its financial debt obligations.
14. Inventories / Cost of Goods Sold x 365. The average number of days goods remain in inventory before being sold.
17. Gross profit / Sales revenue. This ratio shows how much was spent producing the good or service that was sold for every dollar of sales revenue.
18. Cost of sales / Accounts payable (either the ending balance or average balance). This ratio measures how effective management is in paying its suppliers.

## Down

1. Current assets – Inventory / Current Liabilities. This ratio is one of the financial analysis ratios that provides a more prudent measure of short-term liquidity recognizing that inventory cannot always be readily converted into cash.
3. A mathematical model describing the interrelationships among various financial variables.
5. Tax / Sales. This financial analysis ratio shows how well management is managing tax.
6. Direct labor / Sales. Cost of goods sold is made up of labor, materials, and direct costs. This margin shows the proportion of labor that goes to make up each dollar of sales.
7. EBIT or EBITDA / Interest expense. This solvency ratio shows how much income is available to service debt costs.
9. Selling costs / Sales. This margin shows how much it costs to sell each dollar of sales.
10. Operating costs / Sales. This margin shows the operating expenses as a percentage of sales. This does not include cost of goods sold (as is the case with the operating profit margin), so it is an indication of the efficiency of the operation.
11. Materials / Sales. Cost of goods sold is made up of labor, materials, and direct costs. This margin shows the proportion of materials that goes to make up each dollar of sales.
12. Sales / Total assets. This ratio shows how effective the company is in generating sales from its assets.
13. Current assets / current liabilities. This ratio measures short-term liquidity, whether or not a company will have the ability to cover its obligations in the short term.
15. (Opening balance – Closing balance) / 2. This balance can be used to calculate efficiency/turnover ratios instead of using a closing balance.
16. Sales / Net assets. This ratio takes into account the financing of assets and measures management's efficiency in relation to the use of assets.

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