



**Financial Leverage Ratios**

<i>Debt To Equity = (Total Debt/Net Position or Total Equity)</i>	100	/	150	=	0.666667	<u>.67:1</u>
This ratio indicates how well creditors are protect in case of the company's insolvency and/or during periods of tighten cash flows						
<i>Times-Interested Earned = ((Earnings Before Interest &amp; Taxes (EBIT))/Interest Expense)</i>	80	/	50	=	1.6	<u>1.5 times</u>
This ratio indicates an entity's capacity meet its interest payments						

**Profitability**

<i>Net Profit Margin = (Change In Net Position or Net Income)/Net Revenues)</i>	10	/	150	=	0.066667	<u>6.67%</u>
This ratio measures net income dollars generated from each dollar of revenues						
<i>Return On Assets = (Changes In Net Position or Net Income/Total Assets)</i>	10	/	250	=	0.04	<u>4.00%</u>
This ratio measures the level profits generated from the utilization of an entity's assets						

Written Analysis:

Conclusion: