

Section 35	<i>return on capital employed (%)</i>	$(\text{net or operating profit})/(\text{capital employed}) \times 100$
Section 35	<i>capital employed</i>	the total value of all long-term finance invested in the business. It is equal to (non-current assets + current assets) - current liabilities or non-current liabilities + shareholders' equity
Section 35	<i>inventory (stock) turnover ratio</i>	$= (\text{cost of goods sold})/(\text{value of inventories})$
Section 35	<i>days' sales in receivables ratio</i>	$= (\text{accounts receivable} \times 365)/(\text{sales turnover})$
Section 35	<i>dividend</i>	the share of the company profits paid to shareholders
Section 35	<i>share price</i>	the quoted price of one share on the stock exchange
Section 35	<i>dividend yield ratio</i>	$(\%) = (\text{dividend per share} \times 100)/(\text{current share price})$
Section 35	<i>dividend per share</i>	$= (\text{total annual dividends})/(\text{total number of issued shares})$
Section 35	<i>dividend cover ratio</i>	$= (\text{profit after tax and interest})/(\text{annual dividends})$
Section 35	<i>price/earnings ratio</i>	$= (\text{current share price})/(\text{earnings per share})$
Section 35	<i>earnings per share</i>	$= (\text{profit after tax})/(\text{total number of shares})$ This is the amount of profit earned per share
Section 35	<i>gearing ratio (%)</i>	$= (\text{long-term loans})/(\text{capital employed}) \times 100$