

FINANCIAL LITERACY

The Matching Game

Match the key number or ratio with its description.

Key Number / Ratio

1. Revenues/sales
2. Gross profit margin
3. Net income before tax
4. Accounts receivable aging
5. Current ratio

Debt-to-Equity Ratio

Description

Answer

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- A. A listing of invoiced amounts per customer/client according to how old they are
 - B. Current assets divided by current liabilities (debts)
 - C. The amount of total liabilities (debt) divided by total equity on the balance sheet at a point in time
 - D. The amount left after you take off all the expenses from the gross profit margin
 - E. The amount you billed your clients excluding taxes
 - F. The ratio of sales less the cost of sales compared to the revenue