

# **DPBS(PG) College, Anoopshahr**

**BCA II Semester**

**Subject: Financial Accounting & Management**

**Paper Code: 205**

## **Ratio Analysis**

What is Ratio ?

Ratio is an expression of relationship between two or more items in mathematical terms. Exhibition of meaningful and useful relation between different accounting data is called Accounting Ratio. Ratio may be expressed as p:q (p is to q), in terms of simple fraction, integer, or percentage.

If the current assets of a concern is Rs 8,00,000 and the current liabilities is Rs 12,00,000, then the ratio of current assets to current liabilities is given as  $8,00,000 / 12,00,000 = 2/3$ . This is called simple ratio. If you Multiply a ratio by 100, you may express it in terms of percentage.

For more Read following link:

[https://www.tutorialspoint.com/accounting\\_basics/management\\_accounting\\_ratio\\_analysis.htm](https://www.tutorialspoint.com/accounting_basics/management_accounting_ratio_analysis.htm)