

FA Module 7: Financial analysis techniques – homework assignment

(The attached PDF file has better formatting.)

A firm has

- ! an effective tax rate of 11%
- ! an interest coverage ratio of 5.2
- ! an EBIT (earnings before interest and taxes) margin of 33%
- ! total asset turnover of 0.21
- ! financial leverage of 1.5

- A. What is the firm's tax burden?
- B. What is the firm's interest burden?
- C. What is the firm's net income margin (net profit margin)?
- D. What is the firm's return on assets?
- E. What is the firm's return on equity?

Check your solutions with the practice problems and practice exam questions for Dupont analysis on the discussion forum. The figures differ, but the formulas are the same.