

Fill in the Blank Questions:

1. The _____ ratio measures a company's ability to meet its short-term obligations using its current assets.
A) Current
B) Debt
2. The _____ to Equity ratio is used to measure the proportion of debt financing in relation to shareholders' equity.
A) Return
B) Debt
3. The formula for calculating the _____ ratio is $(\text{Net Income} / \text{Total Revenue}) \times 100$.
A) Profit Margin
B) Liquidity
4. A high _____ ratio indicates that a company is efficiently using its assets to generate sales.
A) Inventory Turnover
B) Quick
5. The _____ ratio helps assess a company's financial health by comparing its liquid assets to current liabilities.

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- A) Quick
- B) Current

6. The _____ ratio indicates how well a company uses its equity to generate profits.

- A) Return on Equity (ROE)
- B) Gross Profit Margin

7. The _____ ratio measures the relationship between a company's earnings per share and its market price per share.

- A) Price-to-Earnings (P/E)
- B) Earnings Before Interest

8. The _____ ratio is calculated by dividing operating income by interest expense, indicating how easily a company can pay interest on its debt.

- A) Debt-to-Equity
- B) Interest Coverage

9. A _____ ratio below 1 indicates that a company may have liquidity issues, as it has more current liabilities than current assets.

- A) Current
- B) Quick

10. The _____ to Total Assets ratio measures the percentage of a company's assets that are

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financed through debt.

- A) Debt
- B) Profit

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