

**Current Ratio**

- The **current ratio** is a comparison of a firm's current assets to its current liabilities.
- For example, if WXY Company's current assets are \$50,000,000 and its current liabilities are \$40,000,000, then its current ratio would be  $\$50,000,000 / \$40,000,000 = 1.25$ .
- The current ratio is an indication of a firm's market liquidity and ability to meet short-term debt obligations. Acceptable current ratios vary from industry to industry, but a current ratio between 1 and 1.5 is considered standard.
- If a company's current assets are in this range, then it is generally considered to have good short-term financial strength.
- If current liabilities exceed current assets (the current ratio is below 1), then the company may have problems meeting its short-term obligations.
- If the current ratio is too high, then the company may not be efficiently utilizing its current assets.

Source: wikipedia.org

**Samples**

Samples?! What's that? Oh no... sounds like it's going to be math...  
But...  
I am a business student, why the heck do I need to be bothered with stuff like this?

**Shoe size test**

**Samples (... a bit more academic)**

- Error will be always present to some extent and it depends on:
  - Sample size
  - Variability of the population
  - Sampling method
- In most of the cases **Time / Costs** determine a choice of the sampling method

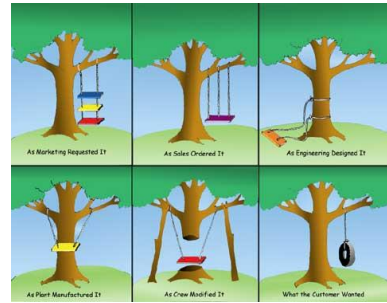
**Sampling Methods**

- Random sampling
- Systematic sampling
- Stratified sampling
- Multi-stage sampling
- Quota sampling
- And many more but we won't bother

## Data Presentation

- It is always a good idea to present data visually
- Some tendencies become visible, remaining undiscovered otherwise
- Improved inter organizational interaction communication
- Better customer interaction

## Mega Swing



## Example: wages

Alpha plc has 2 depts A & B. The total wage bill in 1999 was £513,000, of which £218,000 was for dept A & the rest for dept B. Corresponding figures for 2000 were £537,000 & £224,000. The no. employed in dept A in 1999 was 30 & decreased by 5 for the next year. The no. employed in dept. B was 42 in 1999 & increased by 1 for 2000.

	1999	2000	% change
Wages	513,000	537,000	4.67%
	A   B	A   B	
	218,000   295,000	224,000   313,000	
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	1999	2000	
No.employed	72	68	
	A   B	A   B	
	30   42	25   43	

## Examples from the script

- Housing habits (p.27)
- Daily lunch sales at a bar (p.28)
- Purchases at a shoe shop (p.32)
- Exercise time!!!