

FINANCIAL METRICS 3: MARKET CAPITALIZATION RATIOS

DESCRIPTION:

This module discusses market capitalization and market cap based ratios including price to earnings (P/E), price to cash (P/C), price to sales (P/S), price to book value (P/B), price to earnings growth (PEG ratio), and price to free cash flow (P/FCF).

Tutorial: 28 slides
Problem Sets: 4 problem sets; 28 questions
Average Time: New Module

Sample question from problem set:

Course: Faculty Access (All Modules in Alphabetical Order)

Module: Financial Metrics 3 / Problem Set ID: 1118

Hooks and Ladders is a national fire department supply company. The balance sheets for the past two years shown below are the basis for the questions that follow.

Balance Sheet (\$000)	2019	2020
Cash on Hand	356	296
Accounts Receivable	1,245	1,452
Inventory	3,344	4,741
Total Current Assets	4,945	6,489
Property, Plant and Equipment	2,350	2,430
Other Long-Term Assets	5,205	5,481
Total Long-Term Assets	7,555	7,911
Total Assets	12,500	14,400
Accounts Payable	1,423	1,862
Total Long-Term Liabilities	6,924	8,094
Total Liabilities	8,347	9,956
Common Stock Net	2,500	2,500
Retained Earnings (Accum. Deficit)	1,653	1,944
Shareholders Equity	4,153	4,444
Total Liabilities and Shareholders Equity	12,500	14,400
Stock Price	9	16
Shares Outstanding (000s)	2000	2200
5 Year EPS Growth	4.7%	4.2%

What is the change in Market Capitalization (in \$000) for Hooks and Ladders 2019 to 2020?

  \$000

PS1 1 2 3 4

SUBMIT ANSWER

EXIT

Problem Sets 0 4 0 Total Questions 28



CALCULATED VARIABLES:

mc19 = \$18,000