

*Abdelhafid Boussouf University Center – Mila*

*Faculty of Economics, Commercial & Management Sciences*

*Departement Of Economics*

*Lectures On : Financial Ratios*

*Addressed To 3<sup>rd</sup> Year Students – 2<sup>nd</sup> Semester*

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## ***Financial Ratios***

### ***Introduction***

Financial ratios are quantitative tools used to assess a company's financial performance. They help investors, managers, and stakeholders evaluate profitability, liquidity, and solvency.

### ***Types of Financial Ratios***

1. **Liquidity Ratios** – Measure a company's ability to meet short-term obligations (e.g., Current Ratio, Quick Ratio).
2. **Profitability Ratios** – Assess a company's ability to generate profit (e.g., Return on Assets, Return on Equity).
3. **Leverage Ratios** – Analyze a company's debt levels (e.g., Debt-to-Equity Ratio).
4. **Efficiency Ratios** – Evaluate how well a company utilizes its assets (e.g., Inventory Turnover Ratio).

### ***Key Terms***

- Financial ratios = النسب المالية
- Liquidity = السيولة
- Profitability = الربحية
- Debt-to-equity ratio = نسبة الدين إلى حقوق الملكية
- Inventory turnover = معدل دوران المخزون