RURAL LOAN ANALYSIS INDICATOR RATIOS

1. Return on Investment = $\dfrac{\text{Net Income (or profit)}}{\text{Total Assets}}$

2. Profit Margin = $\dfrac{\text{Net Income (or profit)}}{\text{Net Sales}}$

3. Profitability = $1 - \dfrac{\text{Total Income}}{\text{Total Costs}}$

4. Liquidity Ration = $\dfrac{\text{Short-term Assets}}{\text{Short-term Debts}}$

5. Inventory Rotation = $\dfrac{\text{Cost of Sales (or Inventory Sold)}}{\text{Average Inventory}}$

6. Working Capital Turnover = $\dfrac{\text{Working Capital after loan}}{\text{Projected monthly sales}} \times 30 \text{ days}$

7. Debt to Equity Ratio = $\dfrac{\text{Total Debt}}{\text{Equity}}$

8. Debt and equity to Asset Ratio = $\dfrac{\text{Debt and Equity}}{\text{Assets}}$

9. Debt/Net Income: $\dfrac{\text{Debt}}{\text{Net Income (family)}}$

10. Loan Payments to Sales Ratio: $\dfrac{\text{Average Monthly Amortization}}{\text{Actual Monthly Sales}}$

11. Repayment Capacity:
    + Total Net Income
    - Loan Amortization and Other Obligations
    - Family Expenses
    + Depreciation

    = $ sufficient balance available for loan repayments in all periods

12. Cash Flow Analysis = (for each period)
    + Initial Balance
    + Project Income
    + Other Income that can be used
    + New Loans
    - Operational Expenses (excluding Depreciation)
    - Investments
    - Interest Payments
    - Loan Amortization
    - Gastos Familiares

    = Balance of the Period

13. Accumulated Net Income Ratio: $\dfrac{\text{Accum. Net Income Over Loan Period}}{\text{Loan Payments + Interest}}$

14. Breakeven Point: (Fixed Expenses) $\dfrac{\text{Fixed Expenses}}{\text{Sales Price/Unit - Variable Expenses/Unit}} = \text{units}$

15. Equilibrium Price: (Price Sensitivity) $\dfrac{\text{Total Costs Totales}}{\text{Production Units}} = \text{price/unit}$

16. Break Even Point: (Sensitivity of Production) $\dfrac{\text{Total Costs}}{\text{Price/Unit}} = \text{units}$

17. Fixed Asset to Loan Ratio: $\dfrac{\text{Fixed Assets After Loan}}{\text{Loan}}$