



**Attock Petroleum Limited VS Shell  
Pakistan Limited: Ratio Analysis and  
Performance Evaluation**

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### **CERTIFICATION**

It is certified that this thesis, "**Attock Petroleum Limited VS Shell Pakistan Limited: Ratio Analysis and Performance Evaluation**", prepared by **Makhdoom Khurshid Ali** having Enrollment # **01-122142-070** and Reg # **27988** has been approved for submission to Bahria University.

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## **Abstract:**

We see a growing demand of oil especially in the emerging economies where there is less awareness and focus on environment and more concentration on cost reduction and efficient production. Oil is a major demand and occupy quite hefty share in the GDP of Pakistan. The growing number of oil marketing companies in Pakistan is also an indicator of how important this sector is for the growth of the economy. This research is therefore focusing on the performance evaluation using ratio analysis of two oil marketing companies operating in Pakistan, Attock Petroleum Limited and Shell Pakistan Limited.

For the purpose of research, audited financial statements are collected for both oil marketing companies listed in the PSX from the period 2013-2015. This research aims to analyze the financial statements of the companies using liquidity ratios, activity ratios, leverage ratios, profitability ratios and market value ratios. For liquidity, the following ratios are used: current ratio and quick ratio. For activity, the following ratios are used: receivable activities, average payable period, inventory turnover, fixed assets and total assets turnover. For leverage, the following ratios are used: debt to equity ratio, debt to total assets and gearing ratio. For profitability, the following ratios are used: gross profit margin, net profit margin; return on total assets; return on equity. For market value ratio, the following ratios are used: earning per share, price-earnings ratio, book value per share and market-book ratios.

The findings suggest that APL performed better than Shell in all ratios except for receivable activities, average collection period, gross profit margin, price-earnings and market-book ratios from FY 2013-2015.

**Keywords:** liquidity ratios, activity ratios, leverage ratios, profitability ratios, market value ratios, current ratio, quick ratio, receivable activities, average payable period, inventory turnover, fixed assets turnover, total assets turnover, debt to equity ratio, debt to total assets ratio, gearing ratio, gross profit margin, net profit margin; return on total assets; return on equity, earning per share, price-earnings ratio, book value per share and market-book ratios.

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