

# **Analysis Of Financial Ratios And Its Impact On EPS of Toyota Indus Motors**

---

**A thesis  
Presented to  
The faculty of  
Management Sciences  
Bahria Institute of Management & Computer Sciences, Karachi**

---

**In partial Fulfillment  
Of the Requirements for the  
Degree Master in Business Administration**

---

**By**

**Muhammad Younis  
March, 2011**

**BAHRIA UNIVERSITY**

**Institute of Management and Computer Sciences, Karachi**

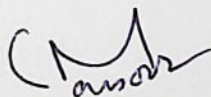
**APPROVAL SHEET**

This project/Thesis entitled, "Analysis Of Financial Ratios And Its Impact On EPS of Toyota Indus Motors", prepared and submitted by Muhammad Younis, in partial fulfillment of the requirements for the degree of MASTER OF BUSINESS ADMINISTRATION has been examined and recommended for acceptance and approval.

**THESIS COMMITTEE**

\_\_\_\_\_  
**Examiner**

Name: \_\_\_\_\_



\_\_\_\_\_  
**Advisor**

Name: Mansoor Zaki

\_\_\_\_\_  
**Examiner**

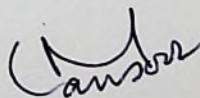
Name: \_\_\_\_\_

**Panel of Examiners**

Approved by the Committee on Oral Examination with a grade of \_\_\_\_\_

\_\_\_\_\_  
**Examiner**

Name: \_\_\_\_\_



\_\_\_\_\_  
**Examiner**

Name: Mansoor Zaki

\_\_\_\_\_  
**Examiner**

Name: \_\_\_\_\_

\_\_\_\_\_  
**Head of the Department**

**Management Science**

## **ABSTRACT**

The analysis shows the performance of the company by research and interpreting about the financial ratio and how all ratios influences the earning per share. The analysis is about why the company earning per share increases in Pakistan though out all six years. This study helps us to understand about rising trend or decline trend of the Toyota Indus Motors. Factors that has been analyzed from the research shows that the firm is doing better than other firms in the industry, that is because of mainly quality and durability of the product.

## Table of Content

<b>Particulars</b>		<b>Page No</b>
<b>01</b>	<b>Chapter # 01</b> <b>BACKGROUND OF THE TOPIC AND STATEMENT OF THE PROBLEM</b>	
1.1	Introduction	2
1.2	History	3
1.3	Toyota in Pakistan	4
1.4	Statement of Problem	5
1.5	Scope	5
1.6	Key Terms	6
<b>02</b>	<b>Chapter Two</b> <b>Research Method &amp; Procedure</b>	11
2.1	Research Design and Methods	12
2.2	Respondents of the study	12
2.3	Research Instruments	12
2.4	Source of data	12
2.5	Treatment of the data	12
<b>03</b>	<b>Chapter Three</b> <b>Review of the literature</b>	13
3.1	Related Literature	14
3.2	Company Literature	14
3.3	Local Literature	14
3.4	Area for further Studies	14

<b>04</b>	<b>Chapter Four</b>	
	<b>Presentation Analysis</b>	
	<b>Ratio Analysis and Its interpretation</b>	
a)	Balance Sheet	16
b)	Income Statement	18
c)	Calculated Values Of Ratios	19
4.1	Current Ratio	20
4.2	Quick Ratio	24
4.3	Inventory Turn over	26
4.4	Days Sales Outstanding	29
4.5	Fixed Assets Turnover	31
4.6	Total Assets Turnover	33
4.7	Total Debt to total Assets	36
4.8	Profit margin on sales	40
4.9	Basic earning Power (BEP)-*	45
4.10	Return on Assets (ROA)	48
4.11	Return on Equity (ROE)	51
4.12	Earning Per Shares	54
4.13	Impact Of Ratios On Earning Per Share	56
<b>05</b>	<b>Chapter Five</b>	
	<b>Conclusion &amp; Recommendations</b>	
5.1	Conclusion	60
	Recommendation	60