

13 matches from 10 sources, of which 10 are online sources.

PlagLevel: 9.3%

- ☑ [0] (2 matches, 2.9%) from www.investopedia.com/ask/answers/031815/what-formula-calculating-profit-m
- ☑ [1] (2 matches, 3.1%) from <https://www.accountingcoach.com/blog/ebt-to-total-assets-ratio>
- ☑ [2] (2 matches, 1.6%) from www.myaccountingcourse.com/financial-ratios/return-on-assets
- ☑ [3] (1 matches, 1.8%) from www.myaccountingcourse.com/financial-ratios/asset-turnover-ratio
- ☑ [4] (1 matches, 1.3%) from www.academia.edu/7008427/CHINA_DOLLS_SYNOPSIS_Haute_Couture_Fa
- ☑ [5] (1 matches, 1.2%) from <https://www.coursehero.com/file/p3argdn/...ires-the-expired-cost-is-moved-fro>
- ☑ [6] (1 matches, 0.9%) from www.academia.edu/8441617/Financial
- ☑ [7] (1 matches, 1.2%) from <https://www.accountingcoach.com/blog/debt-equity-ratio>
- ☑ [8] (1 matches, 0.9%) from www.businessinsurance.com/article/20170210/NEWS06/912311861
- ☑ [9] (1 matches, 0.8%) from www.chegg.com/homework-help/gross-profit...-problem-28tf-solution-9781259

Settings

Sensitivity: *Medium*

Bibliography: *Consider text*

Citation detection: *No detection*

Whitelist: --

Analyzed document

=====1/3=====

Financial Statement Analysis

By

Institution

Lecturer

Date

The two companies in comparison will be in the insurance company. The companies are AON insurance company and Jubilee Insurance based in Kenya. From the financial statements from both companies, net sales from both companies have been on an upward trend from 2011 since there has been a realization on the importance of securing property and personal lives. However, net sales of AON are higher than those of Jubilee owing to the fact that AON operates on a larger geographical area with subsidiary companies all over the world.

Net income varied from year to year where during some years there was an increase from the previous year while in other cases there was a decrease from the previous year. This could owe to various factors such as unfavorable foreign exchange rates or a decrease in commissions and fees related to acquisitions.[8] Debt to asset ratio is the percentage of the total assets that were financed by creditors, liabilities and debt.[1] This calculated by dividing a corporation's total liabilities by its total assets.[1] [4] [5] [7] ...

Debt to asset ratio =

In 2014 Jubilee insurance had total assets amounting to Kenya shillings 74,505,374 and liabilities amounted to Kenya shillings 58,026,343. In 2015 total

assets in Jubilee Insurance accumulated to Kenya shillings 82,378,010 and liabilities stood at Kenya Shillings 61,996,803.

Debt to asset ratio at Jubilee insurance in 2014=

=0.78%

Debt to asset ratio at Jubilee insurance in 2015=

= 0.75%

In 2014 AON insurance had total assets amounting to \$ 26883 and liabilities amounted to \$ 20824. In 2015 total assets at AON insurance accumulated to \$ 26615 and liabilities stood at \$ 21083.

Debt to asset ratio at AON insurance in 2014 =

= 0.77%

Debt to asset ratio at AON insurance in 2015 =

= 0.79%

Times interest earned is the coverage ratio which measures the proportionate amount of income that can be used to cover interest expenses in the future. The time's interest earned ratio is calculated by dividing income before interest and income taxes by the interest expense.

=====2/3=====

Times interest earned ratio at AON insurance in 2014=

= 6.9

Times interest earned ratio at AON insurance in 2015 =

=6.2

Creditors mostly prefer companies with higher interest ratio because that shows the company can afford to pay its interest payments when they come due.

Higher ratios show less risk while lower ratios indicate credit risk. The profit margin includes the gross profit margin, operating profit margin and net profit margin.[0] They are all calculated by dividing the profit figure by revenue and multiplying by 100.[0]

Gross profit of jubilee insurance in 2014 = *100

=15.93%

Gross profit of jubilee insurance in 2015 = *100

=18%

The asset turnover ratio is calculated by dividing net sales by average total assets.[3] [2] [9]

The asset turnover for Jubilee insurance in 2014 =

Asset turnover for Jubilee Insurance in 2014=1.05

The Asset Turnover for Jubilee Insurance in 2015=

=0.5

The Asset Turnover for AON Insurance in 2014=

=0.4

The Asset Turnover for AON Insurance in 2015=

=0.5

Return on assets is the financial ratio that shows the percentage of profit a company earns in relations to its overall resources. It is calculated by net income divided by average total assets.

Return on assets for Jubilee insurance in 2015 =

= 0.08

Return on assets for Jubilee insurance in 2014 =

=0.08

Return on assets for AON in2015=

=0.1

Return on assets for AON in2014=

=1.09

The company I would lend money is AON insurance because of its higher interest ratio. This is because it is out of the risk to run into a credit risk.

AON insurance will be considered for investment because of the financial muscle the company owes. Its expenses are distributed amongst all other subsidiaries such that the shareholders do not bear such loss in case of a financial crisis. Changes in financial rates always affect the activities done by AON insurance in different countries. This makes it experience a decrease in revenues which if it goes on might plunge the company into more problems. Internal malpractices may be unethical in the company. In the case of these companies, management malpractices have been dealt with through dismissal and handing over cases to authorities to take over and help settle matters. Management malpractices can make shareholders make decisions to withdraw their shares which may make the company collapse or experience financial crisis.

=====3/3=====

REFERENCES

Annual 2016 Financial Report.AON(2016). Washington, D.C.

Annual Report & Financial Statements 2015.Jubilee Holdings (2015). Nairobi.

Larson, K., & Miller, P. (1995). Financial accounting. Chicago: Irwin.

[Return on Assets Ratio - ROA | Analysis | Formula | Example.\[2\]](#) (2017). My Accounting Course. Retrieved 1 July 2017, from

<http://www.myaccountingcourse.com/financial-ratios/return-on-assets>