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ACC-1101
Term Project

Ralph Lauren (2020)

1) Liabilities to Owners Equity:
Calculation: Total Liabilities/Total Shareholders' Equity

4,586.80/2,693.10= 1.71

This is considered a good ratio.

2) Working Capital:
Calculation: Current Assets-Current Liabilities

3,375.20-2092.00= 1,283.20 (#'s are in millions)

This is good because the company has enough money to cover its liabilities, with still having money left over.

3) Current Ratio:
Calculation: Current Assets/ Current Liabilities

3,375.20/2092.00= 1.62

This is good news for Ralph Lauren because a good current ratio is 1.2 to 2.

4) Asset Turnover Ratio:
Calculation: Net Sales/Average Total Assets

6,159.80/3,485.00= 1.77

This is not the greatest asset turnover ratio, to be considered good would be 2.5 or more.

5) Fixed Asset Turnover:
Calculation: Net Sales/Average Fixed Asset

6,159.80/ 3,126.35= 1.97

This is not the greatest, but not the best. Usually if the company is
doing well, they will always have at least a 2.

Based on the ratios above, I believe this company is in decent financial wealth, with hopes to do better, with minimal/slight concerns and has strong points.