



Higher Accounting

Accounting formulae: new terminology

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Capital Gearing Ratio

(Preference Shares + Long-term Liabilities): Ordinary Shares

Dividend Yield

Ordinary Dividend per share
Market Price per share

$$\times 100$$

Dividend Cover

[Profit for the Year after Tax — Preference Share Dividend]
Ordinary Share Dividend

Earnings per share

[Profit for the Year after Tax — Preference Share Dividend]
Number of Ordinary Shares

Price/Earnings Ratio

Market Price per share
Earnings per share

Interest Cover

Profit for the Year before Interest and Tax
Interest