



# Higher Accounting — formulae sheet

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This edition: September 2019, version 1.2

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## **Equity Gearing Ratio**

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

## **Dividend Yield**

$$\frac{\text{Ordinary Dividend per share}}{\text{Market Price per share}} \times 100$$

## **Dividend Cover**

$$\frac{(\text{Profit for the Year after Tax} - \text{Preference Share Dividend})}{\text{Ordinary Share Dividend}}$$

## **Earnings per share**

$$\frac{(\text{Profit for the Year after Tax} - \text{Preference Share Dividend})}{\text{Number of Ordinary Shares}}$$

## **Price/Earnings Ratio**

$$\frac{\text{Market Price per share}}{\text{Earnings per share}}$$

## **Interest Cover**

$$\frac{\text{Profit for the Year before Interest and Tax}}{\text{Interest}}$$