

Think Critically

1. Describe financial ratios and how they are used.

YOU WILL NEED TO USE THE
ENTR 4 ONLINE TEXT TO
ANSWER THESE QUESTIONS!!!

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2. Explain what liquidity ratios measure and provide an example.

3. Explain what asset management ratios measure and provide an example.

4. Explain what debt management ratios measure and provide an example.

5. Explain what profitability ratios measure and provide an example.

6. Explain what market performance ratios measure and provide an example.

7. Why should entrepreneurs compare their company's ratios with those of similar businesses in their industry?