1- first ~~we~~ will explain performance of the company and prepared an evaluation of microline

a- Solvincy
B- earning power
C- earning quality

when we Louck to the Profit report in 2011 the profit is high its equal =3250 comparing on 2010 which equel $900

* to calculate Profitability the company it is →

* Return on equity = on 2010 which equel $\frac{\text{net Incom}}{\text{Total equity}} = \frac{900}{22500} = 0.04$
ROE = on 2011 which equal $\frac{3250}{23750} = 0.136$

thats means increase from 4% to 13,6%

* Return on assets = on 2010 = $\frac{\text{net Incom}}{\text{total assets}} = \frac{900}{42500} = 0.0211$
on 2011 = $\frac{3250}{51250} = 0.063$
which mean the profit increase fast and mor than assets its increase 6% on 2011 and it was 2% on 2010

* Return on sales which increas on 2011 to 5% when it was 2% on 2010 according the 2011 its $\frac{3250}{60,000} = 5\%$
and 2010 its $\frac{900}{52500} = 2\%$

* invintory Turnover = $\frac{\text{Cost of Good sold}}{\text{average invintory}}$

2010 = $\frac{31500}{2625} = 12$

2011 = $\frac{3\cancel{4}000}{3375} = 10$

thats mean micholine earning power is mor strong on 2011

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