

Debt-to-equity ratio practice worksheet

Name _____ Date _____

1. Debt-to-equity ratio (problem 2301)

From the balances below, work out the debt-to-equity ratio, using total liabilities.

SELECTED BALANCES AT 31 DECEMBER (\$)

Accounts receivable	90,000
Short-term bank loan	60,000
Inventory	138,000
Lease liabilities	70,000
Property and equipment, net	390,000
Accrued expenses	5,000
Retained earnings	260,000
Cash and cash equivalents	75,000
Share capital	110,000
Accounts payable	71,000
Long-term loan	220,000

- Total liabilities: _____
- Shareholders' equity: _____
- Debt-to-equity ratio: _____

2. Debt-to-equity ratio (problem 2302)

From the balances below, work out the debt-to-equity ratio, using total liabilities.

SELECTED BALANCES AT 31 DECEMBER (\$)

Inventory	91,000
Cash and cash equivalents	49,000
Share capital	110,000
Retained earnings	400,000
Accrued expenses	20,000
Accounts payable	34,000
Short-term bank loan	55,000
Accounts receivable	41,000
Property and equipment, net	600,000
Lease liabilities	40,000
Long-term loan	60,000

- Total liabilities: _____
- Shareholders' equity: _____
- Debt-to-equity ratio: _____

3. Debt-to-equity ratio (problem 2303)

From the balances below, work out the debt-to-equity ratio, using total liabilities.

SELECTED BALANCES AT 31 DECEMBER (\$)

Short-term bank loan	45,000
Lease liabilities	35,000
Retained earnings	390,000
Share capital	200,000
Cash and cash equivalents	40,000
Property and equipment, net	380,000
Accounts receivable	25,000
Inventory	86,000
Accrued expenses	25,000
Long-term loan	70,000
Accounts payable	34,000

1. Total liabilities: _____
2. Shareholders' equity: _____
3. Debt-to-equity ratio: _____

4. Debt-to-equity ratio (problem 2304)

From the balances below, work out the debt-to-equity ratio, using total liabilities.

SELECTED BALANCES AT 31 DECEMBER (\$)

Short-term bank loan	30,000
Property and equipment, net	410,000
Long-term loan	120,000
Inventory	75,000
Cash and cash equivalents	53,000
Accounts payable	51,000
Share capital	100,000
Lease liabilities	100,000
Accounts receivable	52,000
Accrued expenses	26,000
Retained earnings	100,000

1. Total liabilities: _____
2. Shareholders' equity: _____
3. Debt-to-equity ratio: _____

5. Debt-to-equity ratio (problem 2305)

From the balances below, work out the debt-to-equity ratio, using total liabilities.

SELECTED BALANCES AT 31 DECEMBER (\$)

Cash and cash equivalents	47,000
Long-term loan	120,000
Inventory	137,000
Accrued expenses	16,000
Accounts receivable	44,000
Short-term bank loan	10,000
Share capital	190,000
Accounts payable	24,000
Lease liabilities	35,000
Property and equipment, net	240,000
Retained earnings	280,000

1. Total liabilities: _____
2. Shareholders' equity: _____
3. Debt-to-equity ratio: _____

6. Debt-to-equity ratio (problem 2306)

From the balances below, work out the debt-to-equity ratio, using total liabilities.

SELECTED BALANCES AT 31 DECEMBER (\$)

Short-term bank loan	50,000
Long-term loan	220,000
Inventory	77,000
Accounts receivable	33,000
Property and equipment, net	290,000
Retained earnings	180,000
Cash and cash equivalents	42,000
Accounts payable	27,000
Accrued expenses	30,000
Lease liabilities	105,000
Share capital	50,000

1. Total liabilities: _____
2. Shareholders' equity: _____
3. Debt-to-equity ratio: _____

Answer key

1. Debt-to-equity ratio (problem 2301)

1. **Total liabilities: 426,000.** Accounts payable 71,000 + Accrued expenses 5,000 + Short-term bank loan 60,000 + Long-term loan 220,000 + Lease liabilities 70,000 = 426,000
2. **Shareholders' equity: 370,000.** Share capital 110,000 + Retained earnings 260,000 = 370,000
3. **Debt-to-equity ratio: 1.15.** $426,000 \div 370,000 = 1.15$

2. Debt-to-equity ratio (problem 2302)

1. **Total liabilities: 209,000.** Accounts payable 34,000 + Accrued expenses 20,000 + Short-term bank loan 55,000 + Long-term loan 60,000 + Lease liabilities 40,000 = 209,000
2. **Shareholders' equity: 510,000.** Share capital 110,000 + Retained earnings 400,000 = 510,000
3. **Debt-to-equity ratio: 0.41.** $209,000 \div 510,000 = 0.41$

3. Debt-to-equity ratio (problem 2303)

1. **Total liabilities: 209,000.** Accounts payable 34,000 + Accrued expenses 25,000 + Short-term bank loan 45,000 + Long-term loan 70,000 + Lease liabilities 35,000 = 209,000
2. **Shareholders' equity: 590,000.** Share capital 200,000 + Retained earnings 390,000 = 590,000
3. **Debt-to-equity ratio: 0.35.** $209,000 \div 590,000 = 0.35$

4. Debt-to-equity ratio (problem 2304)

1. **Total liabilities: 327,000.** Accounts payable 51,000 + Accrued expenses 26,000 + Short-term bank loan 30,000 + Long-term loan 120,000 + Lease liabilities 100,000 = 327,000
2. **Shareholders' equity: 200,000.** Share capital 100,000 + Retained earnings 100,000 = 200,000
3. **Debt-to-equity ratio: 1.64.** $327,000 \div 200,000 = 1.64$

5. Debt-to-equity ratio (problem 2305)

1. **Total liabilities: 205,000.** Accounts payable 24,000 + Accrued expenses 16,000 + Short-term bank loan 10,000 + Long-term loan 120,000 + Lease liabilities 35,000 = 205,000
2. **Shareholders' equity: 470,000.** Share capital 190,000 + Retained earnings 280,000 = 470,000
3. **Debt-to-equity ratio: 0.44.** $205,000 \div 470,000 = 0.44$

6. Debt-to-equity ratio (problem 2306)

1. **Total liabilities: 432,000.** Accounts payable 27,000 + Accrued expenses 30,000 + Short-term bank loan 50,000 + Long-term loan 220,000 + Lease liabilities 105,000 = 432,000
2. **Shareholders' equity: 230,000.** Share capital 50,000 + Retained earnings 180,000 = 230,000
3. **Debt-to-equity ratio: 1.88.** $432,000 \div 230,000 = 1.88$

Free to copy for teaching and study. Fresh problems and step-by-step checking: financialratios.guide/guides/financial-ratio-practice-problems/