FINANCIAL RATIO EQUATIONS

**Current Ratio**

\[ \text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}} \]

**Quick Ratio**

\[ \text{Quick Ratio} = \frac{\text{Cash} + \text{Cash Equivalents} + \text{Short Term Investments} + \text{Current Receivables}}{\text{Current Liabilities}} \]

**Times Interest Earned Ratio**

\[ \text{Times Interest Earned Ratio} = \frac{\text{Income before Interest and Taxes or EBIT}}{\text{Interest Expense}} \]

**Working Capital Ratio**

\[ \text{Working Capital Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}} \]