The Balance Sheet

INTERMEDIATE PRACTICE WORKSHEET

Pull up a real company's balance sheet (any investor relations site or free financial data site works) for a company you're curious about. There's no wrong answer, the goal is just practice.

Section 1 - Calculate the Ratios

Which company, and what period? Write down current assets, current liabilities, total debt, and shareholder equity, then calculate the current ratio and debt-to-equity ratio.

Section 2 - Compare to a Peer

Find one direct competitor and compare its ratios to the company you researched. Which one looks more conservatively financed, and why might that be?

Section 3 - Check the Trend

Compare this period's ratios to 2-3 years ago. Is debt rising or falling relative to equity? Is liquidity improving or deteriorating?

Section 4 - Ask Why

If debt has risen, check the cash flow statement or filing notes for why - was it used to fund growth (expansion, acquisitions) or cover ongoing losses?

Section 5 - Reflection

Based only on the balance sheet, would you call this company financially conservative or aggressive? What would you still want to check before deciding?