

Table 3: **Accounting Ratios : Definitions and Basic Statistics**

Common-Size Ratios: Controls for size differences across firms			
Name	Variable Definition	Mean	ES
A: Components of asset side of balance sheet / total assets (b6)			
b1/b6	Cash / Assets	0.10	+
b2/b6	Receivable / Assets	0.14	- ?
b3/b6	Inventories / Assets	0.14	- ?
b4/b6	Current assets / Assets	0.39	?
b7/b6	PPE total / Assets	0.58	?
b8/b6	PPE net / Assets	0.32	?
B: Components of balance sheet (Liab. Side & others)/ total assets (b6)			
b5/b6	Current Liabilities / Assets	0.21	-
b9/b6	Debt (long term) / Assets	0.20	- ?
b181/b6	Total Liabilities / Assets	0.58	-
b60/b6	Common Equity / Assets	0.40	+
b36/b6	Retained Earnings / Assets	0.16	?
b216/b6	Stockholder's Equity / Assets	0.41	+
b235/b6	Common Equ. Liquidation value / Assets	0.35	?
C: Components of income statement / total revenues (b172)			
b12/b172	Sale (net) / Net Income (loss)	33.92	?
b13/b172	Operating Income / Net Income (loss)	3.14	?
b14/b172	Depreciation / Net Income (loss)	1.18	?
b15/b172	Interest expense / Net Income (loss)	3.13	- ?
b16/b172	Income taxes / Net Income (loss)	0.62	- ?
b41/b172	Cost of goods sold / Net Income (loss)	18.24	- ?