Going concern, earning capacity and corporate financial stability

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Abstract

Contemporary investors worry more about firms' survival prospect than immediate financial gains. Analysts employ the use of short and long-term solvency tools to gauge the financial health of prospective firms. Often, these tools fail to generate the required information owing to their inherent defects. Specifically, going concern valuations and firms' financial stability are corporate finance issues which have not been adequately addressed as present practice tends to align more to macroeconomic than individualized industrial analysis. This study aimed to compare the efficacy of fiscal health indicators of firms with their perceived going-concern with a view to introducing more robust measurement techniques. The study employed *ex-post facto* research design using 91 companies listed on the Nigerian Stock Exchange and the National Stock Exchange of India. Data analysis method includes multivariate regression analysis, one-way ANOVA and Pearson correlation coefficient. Results indicate the newly introduced going concern ratio has significant relationships with firms' earning capacity, corporate financial stability ratio, Altman's Z-score and Enyi's relative solvency ratio (RSR). However, the current ratio (CR) has no significant relationship with the going concern ratio, implying that the current ratio is no longer effective in determining corporate solvency status in the face of changing financing paradigm.

Keywords: Going Concern; Financial Stability; Liquidity; Earning Capacity; Current Ratio

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1. Introduction

Financial stability is no doubt one of the most talked about finance topics which has remained in the front burner of many finance and business inclined social science research investigations in recent times. The popularity of the phrase is not necessarily because of its association with the macro-economic system but majorly because of the seeming unabating distress situation in many financial based institutions in addition to the overwhelming cases of failure within the business community with no exception for size or location.

1.1. Financial stability and going concern

Financial stability has become a term we have come to adopt as the basis of measuring the likelihood of failure or continued survival of corporate entities. This term can also often be referred otherwise to, as the attribute of *going concern* of an organization. While the term *going concern* is easily defined in many financial accounting books as the ability of a corporate entity to go beyond the current and the next fiscal period in terms of the use of its existing assets to continue to meet its financial obligations and execute its planned operations unhindered and unbroken by either liquidation or other untoward conditions even beyond the foreseeable future (MaRS Discovery District, 2009; Accounting Tools, 2017; m.bayt.com, 2015), corporate financial stability on the other hand is easy to mention but definitely not easy to define in this context. This is because most official definitions of financial stability are woven around macro-economic financial institutions with little or no consideration for its micro aspect in corporate entities. While many consider or infer to going concern as the corporate version of the macro based financial stability since the latter seems to have no equivalence in micro entities, this paper views going concern and financial stability in corporate entities as something far more larger and much more inclusive than finding the liquidation value of the company's assets less its liabilities which seems to be the most agreed standard of measuring the going concern value of an organization accounting wise (Entrepreneur Magazine, 2013).

This paper which main objective is to compare the efficacy of the existing corporate fiscal health measurements on perceived but more important going-concern ratios of corporate organizations, explores the basic concept of financial stability in relationship with its effect on the micro economic level rather than the macro-economic level as presently defined. In doing this, we investigated the probable relationship or connection between micro level financial stability, the going concern value of a company, firm's earning capacity (which we define here as the ability of a firm to recover its costs from generated revenue with a mark-up (Enyi, 2008)), the Enyi's relative solvency ratio, the traditional solvency ratios and the Altman's Z score, with the aim to redefine the meaning and effect of financial stability on the continued existence of corporate entities using the mentioned ratios or a new one, as determinants and/or components of corporate or micro level financial stability.

1.2. Study hypotheses

Our investigation was primarily concerned with proving or disproving the following hypotheses:

$H_0 1$. That the Going Concern as redefined in this paper does not significantly affect the stability of a firm.

$H_0$2. That the Earning Capacity of a firm has no significant relationship with the firm's financial stability.

$H_0$3. That the Enyi's Relative Solvency Ratio has no significant relationship with firms' financial stability.

$H_0$4. That the traditional solvency measurement combined has no significant effect on a firm's financial stability.

$H_0$5. That the Altman's Z score has no significant effect on a firm's financial stability.

Hypotheses $H_0$1 to $H_0$5 were used to establish the probable connection between going concern, firm's earning capacity, Enyi's relative solvency ratio, the traditional solvency ratios, the Altman's Z score and corporate financial stability. In this measurement, we proxied corporate financial stability with the ability of a company to stay active, profitable and solvent for the current year with a feature of continuity thereafter as given by its earning capacity and the ability of its assets to always overwhelm its current and non-current liabilities.

2. Literature review

2.1. Financial stability – no case for corporate entities?

Although, the literature on the various methods and strengths of financial statements analysis is vast and becoming increasingly specific, the objective of finding the best way of predicting the most effective and informative fiscal health data of a firm remains sacrosanct. A cursory look at most of the extant definitions of financial stability centered on macroeconomics but more specifically on the capital and money market financing; for instance the European Central Bank (ECB) gave one of the most authoritative definitions of the subject stating "that financial stability is a condition in which the financial system (comprising financial intermediaries, markets and market infrastructures) has the capacity to withstand shocks and reducing the likelihood of disruptions in the financial intermediation process which are severe enough to significantly impair the allocation of savings to profitable investment opportunities" (European Central Bank, 2012). The ECB document categorically listed the following three conditions as being associated with macroeconomic financial stability:

i.   ability to efficiently and smoothly transfer resources from savers to investors;
ii.   ability to accurately assess, price and manage financial risks reasonably;
iii.   ability to absorb financial and real economic surprises and shocks comfortably.

These conditions essentially translate to the general ability of a financial system to keep the economy afloat at all times, irrespective of any adverse condition whether sudden or expected. Building on these conditions, the Asian Development Bank Institute working paper 488 opined that the inability to absorb shocks can lead to a downward spiral which can result to a general financial crisis in a system thereby broadly disrupting the financial intermediation mechanism (Morgan & Pontines, 2014). This opined

condition obviously connects with the distress or failing syndrome normally experienced in microeconomic entities such as firms when funding and fund management becomes a problem.

Commenting further on stability, the International Monetary Fund in the working paper WP/04/187 summarized that a stable financial system is such that can effectively facilitate the performance of an economy rather than impeding it and can also have the ability to dissipate financial imbalances that arise endogenously or as a result of significant adverse and unanticipated events (Schinasi, 2004). Financial stability as currently defined is also affected by conditions that engender systemic risks. Systemic risk on the other hand is a risk or likelihood of disruption to financial services that is caused by an impairment to all or parts of the financial system and has the potential to have serious negative consequences for the real economy (Schinasi, 2004). This is the reason why risk assessment is taking the center stage in lending and institutional management.

Schoenmaker (2015) agreeing with the need for a proper consideration of the risk element, posited that externalities (such as a financial spillover effects) may affect the going concern of an otherwise healthy financial institution when another financial institution goes bankrupt. In particular, banks are subject to spillover effects as their statements of financial position contain illiquid assets financed by redeemable deposits that may be subject to rush-calls or panic withdrawals (Schoenmaker, 2015). Borrowing from the *financial instability hypothesis* of Minsky (1986), the events culminating to financial crisis usually start with a *displacement*, that is, some exogenous shocks to the macroeconomic system which might come as a result of a sudden change in economic policy or any invention which changes the investment focus (Minsky, 1986). Following this, Schoenmaker (2015) stated that there are five stages to the boom and the eventual bust (that is, the usually unchecked risk conditions that culminates to business failures) as follows:

1. credit expansion, characterized by rising assets prices;
2. euphoria, characterized by overtrading;
3. distress, characterized by unexpected failures;
4. discredit, characterized by liquidation; and
5. panic, characterized by the desire for cash, and the fear for losing one's deposits.

Minsky's hypothesis highlights the pro-cyclicality of the events leading to instability in the financial system which Schoenmaker (2015) fully narrated as follows:

> *...the displacement sets in a boom fueled by credit. As a boom leads to euphoria, banks extend credit to ever more dubious borrowers, often creating new financial instruments to do the job. Then, at the top of the market, some smart traders start to cash in their profits. The onset of panic is usually heralded by a dramatic event, such as a bank not being able to meet its obligations. Losses on loan begin to mount, and the drop in the value of the loans falls relative to liabilities, driving down the capital of financial institutions. With less capital, financial institutions cut back on their lending – deleveraging* (Schoenmaker, 2015)*.*

In connecting corporate financial stability with firm capitalization, Dewatripont and Tirole (1994) observed that the basic purpose of introducing regulatory capital in bank financing is to absorb losses in order to protect other claimholders such as depositors of the banks (Dewatripont & Tirole, 1994). In agreement with this, Schoenmaker (2015) posited further that regulatory capital comes in different forms that serve different purposes. He classed them into *Going Concern capital* and *Gone Concern capital*. Going concern capital (referred to as Tier 1 capital by the Basel Capital Accord 1988) allows an institution to continue its activities and helps to prevent insolvency. The gone concern capital (Tier 2 capital) on the other hand helps to ensure that depositors and senior creditors can be repaid if the financial institution fails. This category includes hybrid capital and subordinated debt (Schoenmaker, 2015). The big question here, is, how do you manage the capital resources of an organization to provide the ability to stabilize the operations of a firm? The answer to this question is definitely out of the scope of this paper but what we hope to do is to assist in providing a measure or an indicator that will guide corporate resource managers to know when they are within or off the mark in corporate financial stability.

2.2. The microeconomic angle

Undoubtedly, there are many aspects about financial stability as presently defined which may not have been adequately covered in this paper, however, it suffices to note that financial stability is all about the continuity and the stability of the economic operations of an entity which forms the basic live-wire of the existence of that entity, corporate or political. But since this paper is not much concerned about the subject of financial stability at the macroeconomic level because such has been adequately covered by both extant literature and macroeconomic policies and frameworks of the various political entities worldwide, our attention and discuss will focus more on the micro aspect of financial stability, its effect, allusions and suggested definition.

Following from this conjecture, we will need to answer this simple but very important question: What is the position of financial stability in corporate entities? To answer this question, we tilt our reasoning a bit towards *philosophy* and *systems' theory* to enable us to borrow and use their well-established theories of the small being a representation of the large as we can safely describe a corporate entity as a microcosm within a macrocosm of economic activities subsisting in a political entity (Pierre, 1983; Conger, 1922) or as a subsystem within a larger economic, business and social systems (Stichweh, 2011; Luhmann, 1995). This being so and borrowing from the works of Morgan and Pontines (2014) we define *corporate financial stability (CFS) as*

> *…an entity's financial system which has the capability to absorb shocks from sudden adverse operational and economic situations with the ability and capacity to reduce the likelihood of disruptions in the entity's operations and financial transactions both in the short and the long run.*

Using this definition as given, a clear and undistorted connection between *corporate financial stability* and the *going concern principle* in corporate financial accounting has been effectively established by statements such as *the capability to absorb shocks* and *reduce the likelihood of disruptions to the operations of the firm in*

the short and long runs. There are several signs that can point to the existence of going concern or lack of it in an organization, though, researches have not been able to point out the most effective of these signs and how to use them to get the going concern value which on the opinion of this study represents a true measurement of corporate financial stability. These signs include financial sustainability and financial leverage which are measurable using various profitability ratios and more specifically short-term and long-term solvency ratios. As mentioned earlier, methods of financial statements analysis are vast and being designed to serve specific needs in accordance with the peculiarity of the industrial sector of the firm, however, analysts outside the industry prefer a unified universal approach.

2.3. Solvency and stability

Though, solvency status is an indication of an aspect of corporate financial stability. Short-term and long-term solvency measures the ability of the firm to meet both the short and long term financial obligations and continue with its operations unhindered, but, based on static year-end financial information. This position is in agreement with another work which stated that financial performance analysis is the process through which the operating and financial characteristics of firms can be obtained from their accounting records and financial statements (Bhunia, Mukhuti, & Roy, 2011). This process will include the measurement of the short-run and the long-run liquidity position using the current ratio and the acid test ratios. The effectiveness of these traditional methods has been seriously questioned as they are non-predictive and also statically based on the company's position at a date. This is the major reason why discriminant analytical techniques were developed variously. Altman (1968) took the lead in fashioning out a more effective approach in determining the fiscal health (financial stability) of companies but this work, though still very much relevant has been seriously questioned for its seemingly unjustifiable inclusion of some of its proxies and underlying assumptions. A confirmatory study using the Altman (1968) and Ohlson (1980) models to measure the effect of timing on a sample of failed and healthy firms from 1980 revealed that the predictive accuracy of Altman's model declined when applied as the years increased (Gepp & Kumar, 2008). In a bid to further highlight the apparent deficiency of the traditional solvency models in discovering problem spots in corporate finance Altman and Eberhart (1994) reported the use by Italian central bank of neural network with 10 financial ratios and a sample of over 1000 Italian firms to identify distressed businesses. Enyi (2008) compared the Altman (1968) model, the traditional solvency models and the Enyi's relative solvency model in analyzing their detective and predictive effects on the financial cum operational positions of seven listed companies on the Nigerian Stock Exchange and discovered that though the three models were able to detect common distress situations among the companies at a static point but the Enyi's relative solvency model was able to predict future problem spots for the healthy firms using their intrinsic earning capacity (Enyi, 2008). Though the size of the sample used for this study was small, the results no doubt were quite revealing and significant. This position was further buttressed by the findings of Adeleh, Hamidreza and Enyi (2014) using companies quoted on the Iranian Stock Exchange and those of Ghodrati and Ghanbari (2014) on selected Indian firms as well as that of Edy-Ewoh (2013) which dwelt more on ascertaining the various solvency status of some selected Nigerian banks prior to liquidation, merger or recapitalization, and also by

the work of Singh and Astress (2010) which studied the effect of working capital solvency on the profitability of selected Indian manufacturing firms.

The Enyi's relative solvency model which showed greater promise in effectiveness detectability and predictability was based primarily on a firm's earning capacity which was defined as *the ability of a firm to recover operating costs and have a mark-up to sustain growth and future operations*. In other words, the ability to earn income comfortably in excess of all operating costs consistently gives a firm its earning capacity. This *earning capacity* is measured as *the ability to mark-up on operating costs rather than revenue*. This is referred to as the mark-up rate (**m**) in Enyi (2008) and measured with the formula: $m = \frac{P}{T-P}$

Where,

T = Turnover (total operating income for the accounting period)

P = Profit before tax.

T – P = Total operating costs inclusive of interests and depreciation

The mark-up rate *m* is the effective earning capacity (*EC*) of the firm for the period because it stands as the firm's ability to utilize the resources employed into a gainful advantage, a somewhat transactional approach to the measurement of return on capital employed (ROCE). Firms with consistent and comfortable mark-up rates or high earning capacity will have better chance of survival and ability to withstand shocks than those with lean mark-up rate or low earning capacity while those with negative earning capacity are much more prone to eating into their capital and consequently susceptible to distress and eventual liquidation.

The justification for using the total operating costs for the basis of determining a firm's earning capacity was based on the premise that an investor expects returns (income) on the value of his initial investments and not on the investment plus the expected returns which a firm's turnover or total income generally represents. Here, the total operating costs represent the value of a firm's investment in its operations for a given fiscal period, therefore, the mark-up rate represents its true returns on the investments for that period which translates perfectly to the firm's earning capacity.

The present approach to indicating going concern in a firm is to refer to the traditional accounting ratios such as the return on capital employed (ROCE), return on assets (ROA), return on equity (ROE) to look at how profitable a firm has been; and to the solvency ratios like the current and quick ratios as well as the interest coverage, financial leverage or debt/equity, debt/networth ratios to look at the stand of the firm if all its debts and liability obligations were to be settled pronto. In as much as these traditional ratios have their own good uses, especially for indicating the going concern status of a firm for a particular year end, they are, nevertheless, static measurements, that is, they give their values for a particular past period quite unrelated to the present or future existence of the firm and therefore unsuitable as the measurement criteria for going concern values of firms, for their general lack of predictive abilities.

2.4. Going concern measurement

Perhaps, some near good measures of going concern valuations were those indicated for measuring the networth of businesses about to be sold. There are many methods mentioned but the two prominent ones

that seemed to make the most sense are: - (i) the *break up* or *liquidation value*, which is calculated by deducting the value of all liabilities plus a reasonable estimate of liquidation fees from the current market value of all assets of the firm; and (ii) *future income based* approach, which is computed by assessing the ability of the firm to generate the desired economic benefits for the owners for a foreseeable period. Other methods that are used in some climes include *comparable market price*, *historical cost* and *replacement cost*. The income based approach involves normalizing earnings (income streams) and eliminating the impact of asset or income stream that do not form part of the core asset base on main business line of the firm (Entrepreneur Magazine, 2013; Business Development Bank of Canada, 2011).

As useful as these methods might seem to be, the problem with them are basically the porosity and spuriousness of the underlying assumptions and the difficulty in generating measurement data outside the domain of the subject of assessment. To be specific, the assumption of *break-up* or *liquidation* to be employed in the asset valuation method out-rightly negates the going concern principle – the object of measure itself; more so, the difficulty in assuming and using probable unrealistic *future earnings* or the appropriateness of using the *value of a "similar" concern* in the market makes the whole exercise a complete charade or travesty as no one firm is the same with another even when they are equally and commonly funded.

2.5. Our approach and proposal

The approach adopted in this study is to redefine the concept of corporate financial stability measurement as the *main outcome* of a going concern valuation using the intrinsic values of a firm obtainable from the firm's financial statements as a basis of measurement rather than the break-up or liquidation value and/or assumed future income stream as it is the extant practice. This is premised on the fact that everything one needs to find out about an entity are right there in the financial statements, we only need to do extended analysis covering some years, probably, to unearth them. The second reason for this approach is that financial analysts need guide and handy information about firms of interest and being always remote from the location of the business, may not be opportune to have on the spot physical assessment of the assets as to determine their market or saleable value. In addition, barring occasional errors of judgment, financial statements are usually validated by professionally qualified auditors and this act lends credence to the authenticity of the information contained in a published standard financial statement. Based on the foregoing, we redefine the going concern value of a firm as *the unencumbered value of the firm due to the equity holders* and can be expressed mathematically as follows: $gcr = \frac{Total\ assets - Total\ liabilities}{N}$

where,

        gcr = going concern value (expressed as a ratio)

        N = Number of ordinary shares in issue.

This *N* can also be calculated by dividing the book value of ordinary shares with the par value. Mathematically, we can restate the new going concern formula as follows:

$$gcr = \frac{A-L}{B/n} = \frac{n(A-L)}{B}$$

where,

> A = Total Assets
>
> T = Total Liabilities (excluding shareholders' funds)
>
> B = Book value of ordinary shares
>
> n = par (nominal) value of shares

This measurement values the actual control that the equity holders have on the firm and gives a clue whether the firm can still be in existence after all debts (short and long terms) have been withdrawn. This is the true measurement of the going concern principle.

2.5.1. Predictive ability

To make the GCR a stabilizing and predictive tool we multiply it with the company's earning capacity which is the internal ability of the firm to truly utilize its potentials and resources to generate more profit, and find the geometric average to get the financial stabilizing ratio. This ratio, in effect, will give a true reflection of the financial and managerial capabilities of the firm at any given time and is referred to as the *Corporate Financial Stability* ratio (CFS). This CFS is essentially the ability of a firm to withstand economic shocks and it is computed as follows: $cfs = \sqrt{(gcr * m)}$

This formula can be further expanded for clarity as: $cfs = \sqrt{\left(\frac{n(A-L)}{B} * \frac{P}{T-P}\right)} = \sqrt{\frac{nP(A-L)}{B(T-P)}}$

where,

> cfs = corporate financial stability
>
> A = Total value of assets
>
> L = Total of current and non-current liabilities (excluding shareholders' funds)
>
> T = Turnover (total operating income)
>
> P = Profit before tax
>
> B = Book Value of Ordinary shares
>
> n = Nominal or par value of 1 ordinary share.

When a company is substantially financed by bonds of more than twenty years duration, the values of L and B will be adjusted to reflect this. That is: L will be total liabilities minus the book value of bonds, while B will be the book value of ordinary shares plus the book value of the bonds.

While the first definition offers a stricter measure of corporate financial stability, the adjustments to L and B will take the interest of bond holders and the longer time frame of bond maturity into consideration in arriving at the corporate financial stability ratio.

2.5.2. Interpreting the ratio

The values obtained from the corporate financial stability ratio as measured with the earlier given formula can be interpreted as follows:

CFS VALUE	INTERPRETATION
≥ 1	Indicates very strong capability for going concern and a high financially stable organization
> 0.5 < 1	Indicates minor problems with going concern and slight financial stability.
> 0 < 0.5	Indicates strong or major problems with going concern and high financial instability
< 0	Complete absence of going concern; company either already liquidated or about to be liquidated

Our proposal did not consider the market valuation of the company's shares because such valuations are extrinsically biased with market subjectivity and totally divorced from the reality within the company which the financial statements are better equipped to deal with. More so, asset expansions are also better reflected in the financial statements as every growth in equity holders' funds is also represented one way or the other in the value of supporting assets on the other side of the statement of financial position, unless (and of course) there is a fundamental problem with the accounting recording process of the firm.

2.5.3. Predictability and corporate financial stability

A corporate stabilizing measurement must be capable of being used to predict the future financial status of a company. This can be done by multiplying the GCR with the compounded value of the firm's earning capacity (EC) for the number of years under scrutiny and finding the nth root of the product. Using the economist's caveat of *ceteris paribus*, the measurement assumes that both the GCR and the EC of the firm remain constant for each of the years under review. The formula suggested for this is: $CFS_n = \sqrt[n]{(GCR * (1 + EC)^n)}$

where,

n = number of years and CFS, GCR, EC as previously defined.

2.5.4. Review of other models employed

In this study, we also made use of the Enyi's RSR model, the Altman (1968) model and the current ratio model in our comparative analysis. We restate the summaries of these models as follows:

2.5.4.1. Enyi's relative solvency ratio (RSR)

This model measures the availability of working capital relative to the operational needs and the productive efficiency of a firm. One of the implications of the RSR so measured is that any company with current assets less than the current liability is automatically listed as technically insolvent. The formula is: RSR = $\frac{104P(a-l)}{T(T-P)}$ where,

> a = Current Assets
>
> l = Current Liabilities
>
> P, T, as previously defined in cfs.

The cutoff value for the RSR is 1.0, therefore any firm with RSR below 1.0 is in liquidity problem and any firm with RSR above 1.0 is in good health, liquidity wise (Enyi, 2008).

2.5.4.2. Altman's Z-score

This was the first model to be employed in the measurement of a firm's fiscal health. The details are:

Z = 1.2X1 + 1.4X2 + 3.3X3 + 0.6X4 + 0.999X5

where,

> X1 = working *capital to total assets*
>
> X2 = retained *earnings to total assets*
>
> X3 = *EBIT to total assets*
>
> X4 = market *value of equity to book value of debt*
>
> X5 = sales *to total assets*

Altman (1968) uses a cutoff value of between 2.675 and 1.81. This implies that if the value of Z obtained is more than 2.675, then the firm is in good fiscal health and cannot go bankrupt. But if the Z value is below 1.81, then the firm is in serious fiscal problem and can go bankrupt any moment. Companies with Z value between 1.81 and 2.675 implies that they are on the edge.

2.5.4.3. Current Ratio

Is the traditional solvency measuring instrument which measures the availability of current assets against current and other liabilities falling due within one year. The formula is:

CR = $^a/_l$

with a and l as previously defined under RSR.

3. Methodology

This study employed the *ex-post facto* research design using data sourced from the 2015/2016 financial statements of 91 companies, 42 of which are listed on the Nigerian Stock Exchange and 49 listed on the

National Stock Exchange of India (Appendix E), to study the relationship between corporate earning capacity (EC), relative solvency ratio (RSR), current ratio (CR), the Altman's Z-score and the going concern ratio. The sampled firms covered only manufacturing and non-financial service concerns which were chosen based on completeness and homogeneity of data. The multivariate regression analysis, one-way ANOVA and Pearson correlation were used to establish the strength and direction of the going concern value, the earning capacity, the relative solvency ratio, the traditional solvency model, the Altman's Z-score and financial stability.

4. Results and discussions

4.1. Preliminary analysis

The preliminary analysis results revealed that many of the firms studied no longer believe in having more current assets in excess of current liabilities. This is because many firms (especially the blue-chip companies) now make more use of bank overdrafts and suppliers credits than worry about maintaining current liquidity, as such, all stability/liquidity measurements based on working capital availability are no longer effective in detecting financial problem spots in the short run. Therefore, there is a need to resort to looking at the firm holistically from total assets to total indebtedness rather than current assets to current liabilities. The implication of this is that it is possible for a firm to be technically insolvent and yet have a good going concern value and be financially stable so long as it maintains a positive and comfortable earning capacity.

4.2. Descriptive statistics results

The descriptive statistics in table 1 (Appendix A-1) revealed that the going concern ratio (GCR) generated using the model developed in this study is closely related to the relative solvency ratio (RSR) and the Z-score than the current ratio (CR). This difference is in both the magnitude of the mean and of the standard deviation, which is an indication that the usefulness of the current ratio is beginning to dwindle in scope. Compare the turbulence in figure 4 to other charts below.

4.3. Pearson correlation test results

The results of the test of Pearson correlation outlined in table 2 (Appendix A-2) showed that the going concern ratio is significantly correlated to corporate financial stability which goes to reject the $H_0 1$ hypothesis and conclude that going concern ratio significantly affects the financial stability of a firm and is, therefore, a good indicator of corporate stability. $r(89) = .590, p = .000$
None of the other measures had similar result.
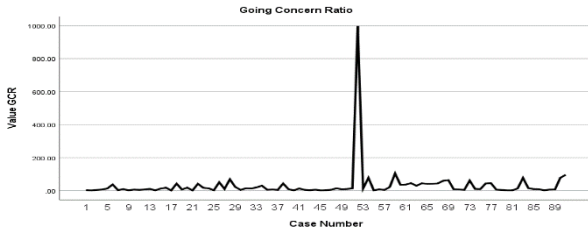
Figure 1. Going Concern Ratio
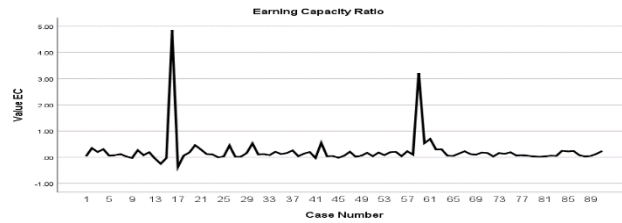
Figure 2. Earning Capacity Ratio
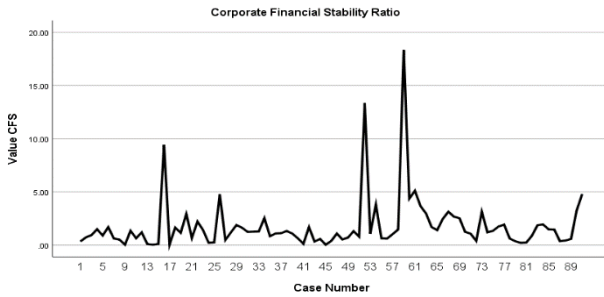
Figure 3. Corporate Financial StabilityRatio
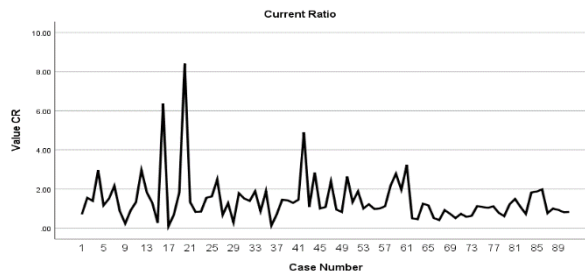
Figure 4. Current Ratio
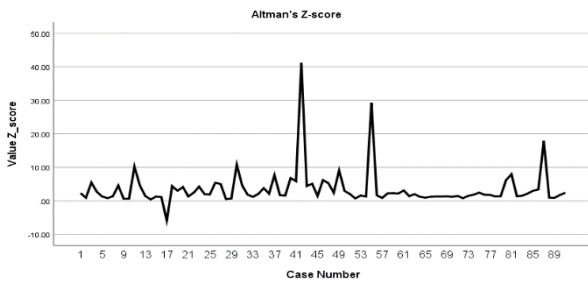
Figure 5. Altman's Z-score
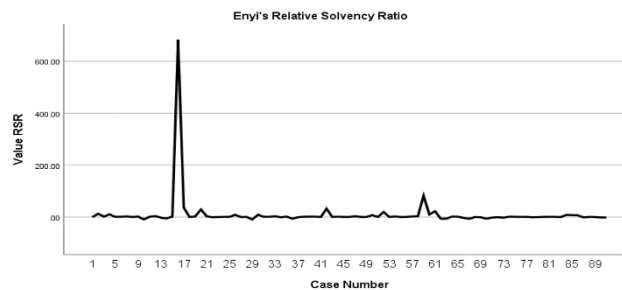
Figure 6. Enyi's Relative Solvency Ratio

4.4. Multivariate tests of direction and strength in relationships

The multivariate regression tests results (Appendix B) revealed that the combined effects of the earning capacity (EC), corporate financial stability (CFS), current ratio (CR), Altman's Z-score and Enyi's relative solvency ratio (RSR) impacted well on organizational going concern:

$F(5,85) = 88.579$, $R^2 = .839$, *Adj. R^2 = .830*, $p = .000$.

The effects of the individual variables on going concern in Appendix D are quite revealing as presented below:

Earning capacity (EC) has a significant effect on *going concern*: β = -2.073, $t(85)$ = -14.991, p = .000. *Corporate financial stability* (CFS) was outstandingly significant on its influence on *going concern* with β = 1.559, $t(85)$ = 20.847, p = .000. *Z-score* was also significantly related to *going concern* with β = .134, $t(85)$ = 2.826, p = .006, and so was *RSR* which placed second in significant relationship with GCR after CFS. RSR had β = 1.186, $t(85)$ = 10.897, p = .000. However, *current ratio* (CR) had no significant relationship with organizational *going concern* with β = -.005, $t(85)$ = -.096, p = .924.

These results have effectively and conclusively dealt with hypotheses $H_0 2$ to $H_0 5$.

5. Conclusion and recommendation

On the strength of the results presented in section 4.0 and the appendices, we conclude that corporate financial stability is the combined product of a firm's earning capacity and its going concern value. We also conclude that liquidity management is moving away from the use of segmental measurement such as the current ratio and debt/equity ratio to a more inclusive measurement involving both the long-term and short-term assets and obligations of the firm, in addition to external risk management strategies. This is essentially necessary because most firms are found to have resorted to the use of bank overdrafts and suppliers' credits in place of own liquid resources to consistently finance their operations. This development is even more encouraged by the willingness of suppliers to supply on credits and the willingness of bankers looking frantically for outlets to market their numerous financial products to offer more credits. The results of the analysis from this study have effectively proved that the current ratio as a solvency measuring tool is now moribund and can no longer detect financial problems in an organization because of the apparent paradigm shift in financing operational activities as adopted by most firms. The going concern ratio, the earning capacity ratio, and the corporate financial stability ratio as introduced in this study have been proven as good and effective measures of corporate fiscal status and financial stability. The results of this study also proved that the Enyi's relative solvency ratio (RSR) is more effective than the Altman's Z-score in detecting financial instability.

Having highlighted the obvious benefits and potential effectiveness of the models for measuring going-concern and corporate financial stability introduced in 2.5, 2.5.1, 2.5.2 and 2.5.3, it is pertinent to point out here that there could be some pitfalls in their application especially in the ability to interpret and apply the mathematical formulae involved. Also, the firm under investigation could be plagued with incomplete data especially in climes where financial regulation allows for dichotomous stipulation of nominal or par value of shares. In addition, there are firms that carry more of current liabilities than current assets, while some are not known to carry any liabilities apart from the capital and shareholders' funds. In situations such as these, the responsibility falls on the analyst to use his/her special skill in filling in the gaps.

Notwithstanding the aforesaid, we recommend more studies from different climes using the models and measures in this work for better appreciation and in-depth criticism.

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Appendices

Appendix A-1

Table 1. Descriptive Statistics

	GCR	EC	CFS	CR	Z-score	RSR
M	31.6205	.2217	1.7757	1.4299	3.5001	10.4009
Std.Deviation	104.86854	.60822	2.57314	1.19213	5.64028	72.29767
N	91	91	91	91	91	91

Appendix A-2

Table 2. Correlations

		GCR	EC	CFS	CR	Z_score	RSR
Pearson Correlation	GCR	1.000	.042	.590	.028	-.096	.017
	EC	.042	1.000	.695	.531	.036	.868
	CFS	.590	.695	1.000	.320	-.083	.408
	CR	.028	.531	.320	1.000	.252	.507
	Z_score	-.096	.036	-.083	.252	1.000	-.022
	RSR	.017	.868	.408	.507	-.022	1.000
Sig. (1-tailed)	GCR	.	.345	.000	.395	.182	.436
	EC	.345	.	.000	.000	.369	.000
	CFS	.000	.000	.	.001	.218	.000
	CR	.395	.000	.001	.	.008	.000
	Z_score	.182	.369	.218	.008	.	.419
	RSR	.436	.000	.000	.000	.419	.

Appendix B

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.916[a]	.839	.830	43.30056	.839	88.579	5	85	.000	1.740

a. Predictors: (Constant), RSR, Z_score, CFS, CR, EC

b. Dependent Variable: GCR

Appendix C

ANOVAª

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	830397.219	5	166079.444	88.579	.000ᵇ
	Residual	159369.749	85	1874.938		
	Total	989766.968	90			

a. Dependent Variable: GCR

b. Predictors: (Constant), RSR, Z_score, CFS, CR, EC

Appendix D

Coefficientsª

Model		Unstandardized Coefficients		Standardized Coefficients			95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	-27.907	8.140		-3.428	.001	-44.092	-11.722		
	EC	-357.487	23.848	-2.073	-14.991	.000	-404.902	-310.072	.099	10.099
	CFS	63.536	3.048	1.559	20.847	.000	57.476	69.596	.339	2.952
	CR	-.457	4.757	-.005	-.096	.924	-9.915	9.000	.648	1.544
	Z_score	2.486	.880	.134	2.826	.006	.737	4.235	.846	1.182
	RSR	1.721	.158	1.186	10.897	.000	1.407	2.035	.160	6.257

a. Dependent Variable: GCR

Appendix E: Data used for the study

Country/Company	Turnover('10m)	other incomes('10m)	Profit before tax('10	Total Assets ('10
India - CI1	13,298.56	351.91	470.70	7,959.92
India - CI2	4,460.10	658.90	1,321.60	17,672.40
India - CI3	4,399.11	86.89	749.67	1,836.36
India - CI4	8,294.58	229.13	2,011.86	9,835.33
India - CI5	1,560.52	93.54	97.16	2,491.74
India - CI6	28,069.78	983.09	2,046.63	58,117.16
India - CI7	140.85	18.17	16.61	417.23
India - CI8	5,349.77	- 6.22	145.74	1,550.49
India - CI9	2,166.80	110.64	- 65.75	720.73
India - CI10	2,150.04	1,154.80	692.52	25,715.23
India - CI11	7,571.07	98.68	596.02	3,070.53
India - CI12	1,661.91	57.20	274.64	820.86
India - CI13	3,833.65	135.49	- 193.58	5,737.66
India - CI14	123.72	0.24	- 41.96	40.74
India - CI15	16,852.59	657.12	- 485.50	8,478.66
India - CI16	13.06	38.74	42.96	625.71
India - CI17	5,493.41	330.50	- 3,446.11	2,947.61
India - CI18	49,090.00	812.40	2,991.00	19,968.10
India - CI19	3,409.90	96.70	541.99	2,647.62
India - CI20	36,765.00	2,298.00	12,357.00	36,059.00
India - CI21	66,200.24	4,785.69	16,548.91	133,641.17
India - CI22	61,616.85	2,104.96	6,711.15	37,976.93
India - CI23	43,412.65	639.79	4,447.09	17,885.99
India - CI24	8,518.64	226.93	30.13	8,432.98
India - CI25	44,598.26	735.12	1,183.04	62,525.21
India - CI26	48,426.96	2,230.39	15,703.18	32,725.37
India - CI27	7,732.88	- 67.00	163.58	1,770.53
India - CI28	2,448.30	332.28	56.99	17,525.33
India - CI29	14,322.03	1,501.16	2,143.23	30,523.98
India - CI30	29,901.27	938.70	10,684.18	22,354.25
India - CI31	4,738.19	10.49	457.18	2,012.26
India - CI32	703.41	12.21	77.52	795.98
India - CI33	1,735.19	298.60	157.26	8,161.75
India - CI34	2,047.87	116.25	379.97	2,832.02
India - CI35	6,862.21	75.88	742.28	3,423.59
India - CI36	45,350.90	1,463.10	6,454.80	67,126.00
India - CI37	19,997.25	795.49	4,266.23	7,973.22
India - CI38	2,456.15	45.97	97.81	2,648.68
India - CI39	3,317.79	35.58	407.98	3,625.31
India - CI40	8,971.70	126.15	1,515.88	3,069.02

India - CI41	46,929.52	23.76	- 1,697.09	7,733.42
India - CI42	2,565.90	118.90	951.90	3,354.30
India - CI43	5,618.00	105.28	242.57	1,694.59
India - CI44	891.47	1.83	45.36	299.02
India - CI45	2,034.51	59.36	- 40.67	2,037.07
India - CI46	31,467.44	181.71	1,720.28	7,167.91
India - CI47	2,361.80	35.00	423.60	1,338.60
India - CI48	654.90	2.98	12.56	460.99
India - CI49	5,697.92	55.47	329.33	833.17
Nigeria - CN1	243.83	1.64	34.81	297.34
Nigeria - CN2	299.00	-	12.76	223.96
Nigeria - CN3	11,297.20	45.90	1,724.30	54,519.70
Nigeria - CN4	3,051.86	3.82	238.59	2,881.13
Nigeria - CN5	8,565.43	339.08	1,409.69	13,036.07
Nigeria - CN6	386.49	3.23	68.13	996.12
Nigeria - CN7	1,218.96	6.83	52.28	1,309.87
Nigeria - CN8	4,133.81	39.16	773.16	17,075.54
Nigeria - CN9	7,312.61	22.88	655.68	6,738.79
Nigeria - CN10	4,059.55	32.31	3,122.65	8,316.18
Nigeria - CN11	1,436.47	255.33	590.65	2,450.77
Nigeria - CN12	1,112.10	15.39	465.84	1,205.12
Nigeria - CN13	26,637.25	241.48	6,146.18	34,967.68
Nigeria - CN14	26,861.35	262.67	6,224.03	25,275.96
Nigeria - CN15	279.52	12.72	17.70	453.97
Nigeria - CN16	260.83	6.35	12.21	502.25
Nigeria - CN17	31,374.31	61.57	3,962.29	36,763.99
Nigeria - CN18	29,390.58	48.39	5,450.84	35,670.71
Nigeria - CN19	10,920.21	73.43	1,168.16	13,232.83
Nigeria - CN20	11,849.59	72.26	1,079.51	12,224.66
Nigeria - CN21	2,326.94	26.99	365.68	3,348.21
Nigeria - CN22	2,064.93	19.25	281.56	3,017.16
Nigeria - CN23	4,905.75	23.28	143.48	6,794.34
Nigeria - CN24	12,246.35	81.55	1,700.89	12,106.06
Nigeria - CN25	16,972.49	74.80	1,961.44	17,838.16
Nigeria - CN26	10,105.79	133.27	1,615.56	10,223.21
Nigeria - CN27	18,006.82	293.95	1,191.69	13,752.04
Nigeria - CN28	12,766.18	159.53	987.82	10,915.03
Nigeria - CN29	6,977.71	115.16	410.64	7,249.13
Nigeria - CN30	5,922.17	37.94	177.11	5,017.25
Nigeria - CN31	1,106.72	23.39	22.40	735.75
Nigeria - CN32	896.33	35.76	30.01	456.95
Nigeria - CN33	2,782.52	17.81	157.74	2,841.70
Nigeria - CN34	8,563.47	31.74	375.74	6,779.66
Nigeria - CN35	3,576.08	182.92	742.15	4,317.26

Nigeria - CN36	9,410.37	228.92	1,747.28	9,728.78
Nigeria - CN37	10,246.74	225.80	2,009.95	8,711.22
Nigeria - CN38	350.18	5.23	24.84	1,032.92
Nigeria - CN39	1,253.59	10.28	32.94	2,250.19
Nigeria - CN40	1,179.37	13.11	53.40	2,308.35
Nigeria - CN41	18,191.10	-	2,154.84	16,958.59
Nigeria - CN42	15,127.15	-	2,932.25	11,921.51

Country/Company	Total liabilities ('10	mCurrent Assets ('10m	Current Liabilties ('1	Share Volume
India - CI1	7,093.86	3,329.37	4,749.58	2,660,676,634
India - CI2	14,783.66	5,010.70	3,223.00	1,888,743,054
India - CI3	1,062.07	1,074.46	771.96	1,742,935,011
India - CI4	8,674.75	4,093.66	1,380.91	802,921,357
India - CI5	2,058.22	724.41	624.05	335,165,917
India - CI6	50,925.65	10,715.47	7,141.03	1,915,088,557
India - CI7	374.19	49.57	23.00	65,210,443
India - CI8	1,216.24	1,248.54	1,428.23	34,243,534
India - CI9	514.24	401.07	1,766.80	1,064,885,175
India - CI10	23,375.49	9,667.47	10,796.66	1,698,719,077
India - CI11	2,442.23	2,677.91	2,013.13	641,491,536
India - CI12	705.73	471.83	159.63	151,311,746
India - CI13	5,077.00	5,007.07	2,746.02	606,610,420
India - CI14	20.65	108.67	84.10	100,950,000
India - CI15	7,392.33	2,808.32	10,045.58	86,334,011
India - CI16	448.61	83.20	13.07	9,708,619
India - CI17	2,069.95	574.65	6,046.66	577,647,274
India - CI18	13,823.65	4,039.40	5,845.80	288,910,060
India - CI19	2,183.14	854.86	466.46	644,771,779
India - CI20	30,771.92	26,766.00	3,181.00	574,151,559
India - CI21	121,395.71	26,290.38	19,730.83	8,245,464,400
India - CI22	32,854.45	26,171.87	31,827.55	612,398,899
India - CI23	12,685.99	6,409.53	7,662.13	590,323,271
India - CI24	7,472.98	8,464.66	5,448.42	332,095,745
India - CI25	52,225.21	24,282.74	14,976.39	4,130,525,289
India - CI26	22,725.37	15,262.82	6,121.11	1,957,220,996
India - CI27	1,270.53	827.63	1,242.15	475,087,114
India - CI28	11,523.33	921.34	725.84	869,101,423
India - CI29	24,523.98	3,735.18	12,993.25	262,990,000
India - CI30	18,394.25	11,378.54	6,404.43	7,901,833,110
India - CI31	1,112.26	1,039.74	687.62	124,774,812
India - CI32	525.98	148.29	106.48	20,589,223
India - CI33	5,161.82	1,448.12	768.92	152,322,084

India - CI34	2,011.02	843.04	982.44	270,853,653
India - CI35	2,923.75	1,751.08	927.70	850,000,000
India - CI36	53,127.50	2,611.60	20,061.70	3,797,530,096
India - CI37	6,573.02	1,962.72	2,762.93	289,367,020
India - CI38	847.68	1,566.62	1,083.69	206,534,900
India - CI39	3,025.30	887.47	623.28	139,125,159
India - CI40	2,869.83	2,681.53	2,078.94	95,919,779
India - CI41	5,735.41	8,977.16	6,204.52	148,911,400
India - CI42	2,854.30	1,915.00	390.70	953,957,720
India - CI43	1,611.50	2,259.59	2,100.18	330,884,740
India - CI44	124.02	262.76	92.58	141,317,315
India - CI45	1,938.05	937.50	936.16	61,380,854
India - CI46	5,147.91	3,994.96	3,684.97	750,000,044
India - CI47	1,108.65	574.60	241.20	41,535,055
India - CI48	360.49	104.97	110.00	7,003,750
India - CI49	633.15	473.09	576.90	119,525,815
Nigeria - CN1	73.12	164.58	62.43	431,410,000
Nigeria - CN2	70.84	65.54	49.12	219,956,000
Nigeria - CN3	26,422.10	24,946.20	13,243.50	564,000,000
Nigeria - CN4	1,606.18	1,233.63	1,230.21	1,878,202,000
Nigeria - CN5	5,590.92	5,167.34	4,220.33	1,920,864,000
Nigeria - CN6	229.04	216.63	220.82	7,829,496,000
Nigeria - CN7	872.35	775.13	777.01	1,042,070,000
Nigeria - CN8	8,100.05	3,601.24	3,226.82	38,720,998,000
Nigeria - CN9	2,371.55	4,217.01	1,956.30	3,970,476,000
Nigeria - CN10	3,104.28	1,560.43	560.76	1,000,000,000
Nigeria - CN11	749.56	589.04	300.79	953,910,000
Nigeria - CN12	321.50	500.69	154.88	476,956,000
Nigeria - CN13	17,779.40	5,693.07	11,455.46	7,562,706,000
Nigeria - CN14	14,040.04	4,528.55	10,029.57	7,562,706,000
Nigeria - CN15	312.91	353.01	283.33	63,360,000
Nigeria - CN16	371.69	396.65	340.59	63,360,000
Nigeria - CN17	20,183.44	7,455.80	14,485.68	7,929,102,000
Nigeria - CN18	18,447.37	5,748.00	14,065.56	7,929,102,000
Nigeria - CN19	8,726.66	4,084.00	4,424.85	1,505,888,000
Nigeria - CN20	7,390.53	3,351.15	4,610.03	1,505,888,000
Nigeria - CN21	1,948.47	808.35	1,594.07	3,294,250,000
Nigeria - CN22	1,800.33	732.97	997.52	3,294,250,000
Nigeria - CN23	4,762.76	1,862.42	3,186.02	7,930,198,000
Nigeria - CN24	7,502.15	3,223.86	5,127.51	1,505,888,000
Nigeria - CN25	11,222.96	11,259.77	10,075.43	12,000,000,000
Nigeria - CN26	4,447.61	4,230.21	3,932.59	12,000,000,000
Nigeria - CN27	10,012.99	6,734.72	6,494.90	1,708,312,000
Nigeria - CN28	7,409.38	5,827.24	5,252.30	1,553,066,000

Nigeria - CN29	6,080.14	4,154.25	5,351.34	3,783,298,000
Nigeria - CN30	4,216.92	2,100.78	3,469.77	3,783,298,000
Nigeria - CN31	527.19	627.55	512.48	2,000,000,000
Nigeria - CN32	262.07	372.21	250.10	2,000,000,000
Nigeria - CN33	1,613.17	1,274.50	1,165.16	1,838,202,000
Nigeria - CN34	4,301.70	2,502.50	3,465.66	640,590,000
Nigeria - CN35	1,917.77	2,623.15	1,438.68	3,130,374,000
Nigeria - CN36	3,876.16	6,452.24	3,453.21	12,000,000,000
Nigeria - CN37	3,329.47	5,728.06	2,893.48	12,000,000,000
Nigeria - CN38	320.75	232.56	307.40	7,829,496,000
Nigeria - CN39	1,341.09	967.75	967.91	2,647,290,000
Nigeria - CN40	1,369.77	972.02	1,049.56	2,647,290,000
Nigeria - CN41	13,870.79	9,773.62	12,103.34	792,656,000
Nigeria - CN42	8,120.80	4,871.47	5,973.14	792,656,000

Country/Company	Nominal value of sh	Market Value of sha	Profit after tax ('10m	Earning per shar
India - CI1	1.00	13.00	433.71	1.63
India - CI2	10.00	131.00	1009.80	5.35
India - CI3	1.00	158.00	590.98	3.39
India - CI4	2.00	399.00	1507.11	18.77
India - CI5	1.00	245.00	96.74	2.89
India - CI6	1.00	106.00	1699.20	8.87
India - CI7	2.00	34.00	13.33	2.04
India - CI8	10.00	114.55	106.35	31.06
India - CI9	1.00	43.00	-65.75	-0.62
India - CI10	2.00	137.00	501.56	2.95
India - CI11	2.00	81.50	445.84	6.95
India - CI12	1.00	427.00	323.77	21.40
India - CI13	1.00	11.00	-137.64	-2.27
India - CI14	1.00	8.50	-41.96	-4.16
India - CI15	10.00	314.00	-485.50	-56.24
India - CI16	10.00	255.00	36.11	37.19
India - CI17	10.00	3.65	-2328.01	-40.30
India - CI18	5.00	1308.00	2392.10	79.19
India - CI19	1.00	208.00	429.09	6.65
India - CI20	5.00	3030.00	12357.00	158.75
India - CI21	10.00	132.00	12619.39	15.30
India - CI22	2.00	738.00	4910.65	79.80
India - CI23	5.00	786.00	3352.82	56.80
India - CI24	2.00	21.85	19.62	0.59
India - CI25	10.00	45.70	2170.35	5.25

India - CI26	1.00	1860.00	12786.34	65.23
India - CI27	1.00	30.00	116.02	2.44
India - CI28	1.00	164.00	120.77	1.39
India - CI29	10.00	346.80	1999.52	76.03
India - CI30	1.00	294.00	7418.39	9.39
India - CI31	5.00	610.00	371.39	29.76
India - CI32	10.00	235.00	54.01	26.23
India - CI33	10.00	251.00	146.26	9.60
India - CI34	1.00	529.00	386.11	14.26
India - CI35	1.00	129.20	522.78	6.15
India - CI36	5.00	299.00	5096.30	13.42
India - CI37	10.00	1757.00	3043.57	105.18
India - CI38	2.00	46.00	75.70	3.67
India - CI39	5.00	893.65	309.11	22.22
India - CI40	10.00	410.25	1050.00	109.47
India - CI41	10.00	60.70	-1766.84	-118.65
India - CI42	1.00	228.00	640.70	6.72
India - CI43	1.00	66.00	180.07	5.44
India - CI44	2.00	49.85	31.52	2.23
India - CI45	10.00	188.10	-47.84	-7.79
India - CI46	10.00	124.70	1149.28	15.32
India - CI47	10.00	997.20	338.90	81.59
India - CI48	10.00	170.00	7.31	10.44
India - CI49	2.00	706.00	233.87	19.57
Nigeria - CN1	0.50	2.53	23.39	54.22
Nigeria - CN2	0.50	9.75	8.81	38.00
Nigeria - CN3	0.50	490.00	1299.10	2394.00
Nigeria - CN4	0.50	11.20	213.73	106.00
Nigeria - CN5	0.50	18.10	1072.68	340.00
Nigeria - CN6	0.50	2.08	53.04	7.00
Nigeria - CN7	0.50	2.71	41.24	40.73
Nigeria - CN8	0.50	1.35	330.43	0.19
Nigeria - CN9	0.50	22.39	457.08	102.00
Nigeria - CN10	0.50	66.00	2173.55	22.00
Nigeria - CN11	0.50	66.01	491.03	515.00
Nigeria - CN12	0.50	66.01	392.38	823.00
Nigeria - CN13	0.50	139.00	4252.03	562.00
Nigeria - CN14	0.50	139.00	4308.03	570.00
Nigeria - CN15	0.50	29.78	13.35	211.00
Nigeria - CN16	0.50	29.78	7.44	117.00
Nigeria - CN17	0.50	139.00	2839.68	358.00
Nigeria - CN18	0.50	139.00	3804.95	482.00
Nigeria - CN19	0.50	100.25	957.35	636.00
Nigeria - CN20	0.50	100.25	779.49	518.00

Nigeria - CN21	0.50	51.80	265.27	81.00
Nigeria - CN22	0.50	51.80	194.65	59.00
Nigeria - CN23	0.50	1.98	112.03	14.13
Nigeria - CN24	0.50	100.25	1186.37	793.00
Nigeria - CN25	0.50	13.65	1439.59	120.00
Nigeria - CN26	0.50	13.65	1114.24	93.00
Nigeria - CN27	0.50	34.89	389.18	223.00
Nigeria - CN28	0.50	34.89	636.31	408.00
Nigeria - CN29	0.50	37.90	307.19	81.00
Nigeria - CN30	0.50	37.90	119.24	32.00
Nigeria - CN31	0.50	0.81	15.23	7.61
Nigeria - CN32	0.50	0.81	18.79	9.40
Nigeria - CN33	0.50	11.20	115.33	61.00
Nigeria - CN34	0.50	90.00	334.75	523.00
Nigeria - CN35	0.50	11.20	602.32	192.00
Nigeria - CN36	0.50	13.65	1190.87	99.00
Nigeria - CN37	0.50	13.65	1353.76	113.00
Nigeria - CN38	0.50	2.08	7.71	1.00
Nigeria - CN39	0.50	0.70	2.81	6.00
Nigeria - CN40	0.50	0.70	5.88	17.00
Nigeria - CN41	0.50	1250.01	792.50	1000.00
Nigeria - CN42	0.50	1250.01	2373.68	2995.00

Country/Company	Retained Earnings('10m	Earnings before Interest an	Total Debts('10m)
India - CI1	1154.87	1228.37	3504.82
India - CI2	242.60	2430.90	0.00
India - CI3	1150.02	841.31	241.58
India - CI4	4429.50	2348.27	965.81
India - CI5	511.08	185.10	867.62
India - CI6	1799.48	3169.56	24144.77
India - CI7	208.56	24.56	0.00
India - CI8	343.87	418.28	803.83
India - CI9	-1818.04	690.16	876.02
India - CI10	2918.96	2544.30	11101.03
India - CI11	2415.38	693.29	13.68
India - CI12	121.77	404.03	43.55
India - CI13	-11.64	499.49	4574.88
India - CI14	-24.24	-38.75	10.27
India - CI15	-2440.99	1560.05	8821.19
India - CI16	288.16	46.08	0.00
India - CI17	-7676.48	-1827.90	8030.00
India - CI18	15543.50	5042.00	1389.20

India - CI19	1227.05	618.80	656.19
India - CI20	26294.00	13313.00	0.00
India - CI21	7168.50	21870.03	53253.66
India - CI22	3836.00	8512.02	8834.21
India - CI23	10366.21	5349.09	3227.07
India - CI24	954.52	937.54	4584.76
India - CI25	30678.82	3333.68	21500.57
India - CI26	25881.48	16536.66	163.12
India - CI27	335.41	342.03	545.86
India - CI28	2072.70	674.13	4501.54
India - CI29	2405.58	3414.66	10288.33
India - CI30	4537.49	11566.21	66.40
India - CI31	1254.93	543.61	142.04
India - CI32	125.59	133.43	131.37
India - CI33	2944.98	729.71	3160.96
India - CI34	1536.28	448.70	308.85
India - CI35	1575.99	859.93	0.00
India - CI36	43061.00	14933.80	12979.80
India - CI37	5225.26	4430.74	71.27
India - CI38	105.36	334.58	961.60
India - CI39	393.67	393.67	897.71
India - CI40	1234.48	1673.42	46.76
India - CI41	-1766.84	-853.80	5707.12
India - CI42	1749.80	981.20	1.50
India - CI43	277.15	298.69	211.97
India - CI44	51.10	70.30	41.50
India - CI45	-22.09	231.46	1006.09
India - CI46	3184.23	2025.29	2718.22
India - CI47	953.70	487.00	24.90
India - CI48	161.22	67.90	236.04
India - CI49	350.28	424.15	189.65
Nigeria - CN1	24.45	35.84	10.68
Nigeria - CN2	8.81	16.18	21.73
Nigeria - CN3	1299.10	3379.60	26422.10
Nigeria - CN4	213.73	238.59	375.97
Nigeria - CN5	652.76	1537.27	1370.60
Nigeria - CN6	53.04	68.13	8.22
Nigeria - CN7	41.36	129.72	95.34
Nigeria - CN8	330.43	1552.29	4873.23
Nigeria - CN9	457.08	700.17	415.25
Nigeria - CN10	2072.20	3191.11	2543.53
Nigeria - CN11	489.86	724.70	448.77
Nigeria - CN12	392.38	468.44	166.61
Nigeria - CN13	3495.70	6755.82	6323.93

Nigeria - CN14	3670.38	6972.26	4010.47
Nigeria - CN15	13.35	37.51	31.11
Nigeria - CN16	7.44	26.40	29.58
Nigeria - CN17	1572.07	5290.84	5697.76
Nigeria - CN18	2564.99	6226.94	4381.81
Nigeria - CN19	546.30	1612.34	4301.81
Nigeria - CN20	389.19	1566.74	2780.49
Nigeria - CN21	265.27	536.62	802.81
Nigeria - CN22	194.65	463.66	354.40
Nigeria - CN23	112.03	218.45	1576.74
Nigeria - CN24	737.70	2061.43	2374.64
Nigeria - CN25	1439.59	1991.35	1147.53
Nigeria - CN26	1114.24	1682.05	515.01
Nigeria - CN27	381.54	1603.53	3518.09
Nigeria - CN28	634.02	1294.10	2157.08
Nigeria - CN29	307.19	683.27	728.80
Nigeria - CN30	119.24	494.16	747.16
Nigeria - CN31	15.22	77.67	14.71
Nigeria - CN32	18.78	67.31	11.98
Nigeria - CN33	76.89	157.74	448.01
Nigeria - CN34	259.89	696.13	836.04
Nigeria - CN35	549.89	749.08	479.09
Nigeria - CN36	1190.87	1751.81	422.95
Nigeria - CN37	1354.54	2009.95	435.99
Nigeria - CN38	7.71	24.84	13.35
Nigeria - CN39	2.81	115.40	373.18
Nigeria - CN40	5.88	111.79	320.21
Nigeria - CN41	792.50	3821.33	1767.44
Nigeria - CN42	2373.68	3374.72	2147.61

Country/Company	earning capacity (m)	Going Concern Ratio (gcr)	cfs	Current Ratio	Altman's Z-score	Enyi's RSR	
India - CI1	0.04	3.26	0.34	0.70	2.26	-	0.39
India - CI2	0.35	1.53	0.73	1.55	0.88		12.64
India - CI3	0.20	4.44	0.94	1.39	5.46		1.41
India - CI4	0.31	7.23	1.49	2.96	2.71		10.23
India - CI5	0.06	12.93	0.90	1.16	1.27		0.39
India - CI6	0.08	37.55	1.69	1.50	0.80		0.97
India - CI7	0.12	3.30	0.62	2.16	1.35		2.03
India - CI8	0.03	9.76	0.52	0.87	4.53	-	0.10
India - CI9	-0.03	1.94	0.04	0.23	0.58		1.75
India - CI10	0.27	6.89	1.35	0.90	0.58	-	9.42

India - CI11	0.08	4.90	0.64	1.33	10.23	0.76
India - CI12	0.19	7.61	1.20	2.96	4.59	3.59
India - CI13	-0.05	10.89	0.10	1.82	1.46	- 2.76
India - CI14	-0.25	1.99	0.04	1.29	0.38	- 5.21
India - CI15	-0.03	12.58	0.11	0.28	1.25	1.16
India - CI16	4.86	18.24	9.42	6.37	1.10	684.26
India - CI17	-0.37	1.52	0.04	0.10	- 5.90	36.33
India - CI18	0.06	42.54	1.65	0.69	4.37	- 0.24
India - CI19	0.18	7.20	1.15	1.83	2.98	2.11
India - CI20	0.46	18.42	2.92	8.41	4.11	29.05
India - CI21	0.30	1.49	0.67	1.33	1.30	2.92
India - CI22	0.12	41.82	2.22	0.82	2.39	- 1.09
India - CI23	0.11	17.62	1.41	0.84	4.23	- 0.33
India - CI24	0.00	14.45	0.22	1.55	2.00	0.12
India - CI25	0.03	2.49	0.26	1.62	1.88	0.57
India - CI26	0.45	51.09	4.79	2.49	5.38	8.43
India - CI27	0.02	10.52	0.48	0.67	5.00	- 0.12
India - CI28	0.02	69.06	1.20	1.27	0.48	0.15
India - CI29	0.16	22.81	1.89	0.29	0.65	- 9.53
India - CI30	0.53	5.01	1.63	1.78	10.78	8.89
India - CI31	0.11	14.43	1.24	1.51	4.60	0.82
India - CI32	0.12	13.11	1.26	1.39	1.83	0.74
India - CI33	0.08	19.69	1.28	1.88	1.18	2.91
India - CI34	0.21	30.31	2.54	0.86	2.04	- 1.43
India - CI35	0.12	5.88	0.84	1.89	3.79	1.48
India - CI36	0.16	7.37	1.09	0.13	2.10	- 6.20
India - CI37	0.26	4.84	1.12	0.71	7.67	- 1.03
India - CI38	0.04	43.60	1.33	1.45	1.66	0.82
India - CI39	0.14	8.63	1.09	1.42	1.57	1.13
India - CI40	0.20	2.08	0.64	1.29	6.79	1.38
India - CI41	-0.03	13.42	0.12	1.45	5.83	- 0.21
India - CI42	0.55	5.24	1.70	4.90	41.20	32.43
India - CI43	0.04	2.51	0.33	1.08	4.39	0.13
India - CI44	0.05	6.19	0.58	2.84	5.09	1.06
India - CI45	-0.02	1.61	0.04	1.00	1.42	- 0.00
India - CI46	0.06	2.69	0.39	1.08	6.18	0.06
India - CI47	0.21	5.54	1.09	2.38	5.29	3.11
India - CI48	0.02	14.35	0.53	0.95	2.41	- 0.02
India - CI49	0.06	8.37	0.71	0.82	9.09	- 0.11
Nigeria - CN1	0.17	10.40	1.31	2.64	2.96	7.15
Nigeria - CN2	0.04	13.92	0.79	1.33	2.02	0.25
Nigeria - CN3	0.18	996.37	13.36	1.88	0.70	19.23
Nigeria - CN4	0.08	13.58	1.07	1.00	1.59	0.01
Nigeria - CN5	0.19	77.52	3.82	1.22	1.27	2.08

Nigeria - CN6	0.21	1.96	0.64	0.98	29.26	- 0.24
Nigeria - CN7	0.04	8.40	0.61	1.00	1.63	- 0.01
Nigeria - CN8	0.23	4.64	1.03	1.12	0.84	2.12
Nigeria - CN9	0.10	22.00	1.47	2.16	2.21	3.15
Nigeria - CN10	3.22	104.24	18.33	2.78	2.26	81.86
Nigeria - CN11	0.54	35.67	4.37	1.96	2.15	9.50
Nigeria - CN12	0.70	37.05	5.11	3.23	3.10	22.46
Nigeria - CN13	0.30	45.46	3.67	0.50	1.38	- 6.61
Nigeria - CN14	0.30	29.71	2.97	0.45	1.98	- 6.28
Nigeria - CN15	0.06	44.53	1.69	1.25	1.20	1.60
Nigeria - CN16	0.05	41.21	1.41	1.16	0.92	1.05
Nigeria - CN17	0.14	41.82	2.46	0.51	1.20	- 3.35
Nigeria - CN18	0.23	43.44	3.14	0.41	1.28	- 6.68
Nigeria - CN19	0.12	59.85	2.67	0.92	1.27	- 0.38
Nigeria - CN20	0.10	64.20	2.53	0.73	1.33	- 1.09
Nigeria - CN21	0.18	8.50	1.25	0.51	1.18	- 6.38
Nigeria - CN22	0.16	7.39	1.07	0.73	1.46	- 2.06
Nigeria - CN23	0.03	5.12	0.39	0.58	0.77	- 0.84
Nigeria - CN24	0.16	61.15	3.13	0.63	1.49	- 2.57
Nigeria - CN25	0.13	11.03	1.20	1.12	1.83	0.94
Nigeria - CN26	0.19	9.63	1.34	1.08	2.43	0.57
Nigeria - CN27	0.07	43.77	1.75	1.04	1.79	0.09
Nigeria - CN28	0.08	45.15	1.93	1.11	1.74	0.38
Nigeria - CN29	0.06	6.18	0.62	0.78	1.31	- 1.08
Nigeria - CN30	0.03	4.23	0.36	0.61	1.37	- 0.73
Nigeria - CN31	0.02	2.09	0.21	1.22	6.18	0.21
Nigeria - CN32	0.03	1.95	0.25	1.49	7.91	0.45
Nigeria - CN33	0.06	13.37	0.89	1.09	1.37	0.24
Nigeria - CN34	0.05	77.36	1.88	0.72	1.51	- 0.53
Nigeria - CN35	0.25	15.33	1.94	1.82	2.15	8.06
Nigeria - CN36	0.22	9.75	1.47	1.87	2.98	7.16
Nigeria - CN37	0.24	8.97	1.46	1.98	3.40	6.69
Nigeria - CN38	0.08	1.82	0.37	0.76	17.94	- 1.65
Nigeria - CN39	0.03	6.87	0.43	1.00	0.94	- 0.00
Nigeria - CN40	0.05	7.09	0.58	0.93	0.89	- 0.32
Nigeria - CN41	0.13	77.91	3.24	0.81	1.73	- 1.79
Nigeria - CN42	0.24	95.90	4.80	0.82	2.38	- 1.82