

Answer the following questions:

- 1.** What is the current ratio? **(5)**
- 2.** What is the quick ratio? **(6)**
- 3.** What is the gross and net profit margin? **(6)**
- 4.** What is 'breakeven point'? and how it can benefit a company to develop future sales plans? **(7)**
- 5.** How an investor can use ratio analysis to invest in a low risk company? **(6)**