c) Liquidity: Which appears to be good, because the current ratio increased, however the ACP is increasing is declining is bad for the company because they can not collect the money from the customers therefore the product piles up and becomes valueless.

Asset Management: asset turnover seems to be improving.

Debt Management: because they seem to have a trend going, they might be in trouble. While growing, the company is borrowing money rather than generating cash or new equity.

Profit: the 3 trending profitability ratio's (RoS, RoA, Roe) and the equity show the impact of the higher level of leverage is a huge problem in the Rolex company.

d)

	RoA	= RoS	x Total asset turnover
industry :	10.8	9.0	1.2
20X1 :	~~12.0~~ 15.0	~~10.0~~ 11.9	~~1.2~~ 3.1
20X2 :	~~6.5~~ 7.1	~~6.5~~ 6.9	~~1.0~~ 0.2
20X3 :	~~2.2~~ 3.0	~~1.7~~ 2.4	~~1.3~~ 0.6

	RoE	= RoS	x equity multiplier
industry :	22.8	10.8	12.9
20X1 :	~~26.2~~ 34.1	~~11.9~~ ~~20.9~~ 10.9 ~~6.9~~	22.2
20X2 :	~~18.9~~ 20.9	~~6.5~~ ~~2.4~~ 6.9	~~2.9~~ 14
20X3 :	~~7.3~~ 10.0	~~2.2~~ 2.4	~~3.3~~ 7.6