

## Problem

The key financial statements of Bangkok Dusit Medical Services (BDMS) and Bumrungrad Hospital (BH) for the year ended December 31, 2019, are as follows.

<b>BALANCE SHEET</b> (Million Baht)	<b>BDMS</b> <b>2019</b>	<b>BH</b> <b>2019</b>
Cash & Equivalent	5,596	8,490
Accounts receivable	8,850	2,748
Inventory	1,879	499
PP&E-net	117,337	14,445
<b>Total assets</b>	<b>133,662</b>	<b>26,181</b>
Accounts payable	5,990	870
Accrued expenses	7,973	1,769
ST debts & current portion	5,300	0
Long-term debt	27,217	3,277
<b>Total liabilities</b>	<b>46,480</b>	<b>5,916</b>
<b>Shareholder's equity</b>	<b>87,182</b>	<b>20,265</b>
<b>Total Liab.&amp;Shareholders' equity</b>	<b>133,662</b>	<b>26,181</b>

<b>INCOME STATEMENT</b> (Million Baht)	<b>BDMS</b> <b>2019</b>	<b>BH</b> <b>2019</b>
Revenue	91,512	18,718
Cost of sales and services	-54,277	-10,285
<b>Gross profit</b>	<b>37,236</b>	<b>8,433</b>
Selling, general, and administration expenses	-16,424	-3,773
<b>EBIT</b>	<b>20,811</b>	<b>4,661</b>
Interest expense	-929	-127
<b>EBT</b>	<b>19,883</b>	<b>4,534</b>
Corporate tax	-3,873	-773
<b>After-tax net profit (loss)</b>	<b>16,009</b>	<b>3,760</b>

1. Use the preceding financial statements of DBMS and BH to compute key financial ratios by completing the following table. **(10 Points)**

<b>Ratio</b>	<b>BDMS</b>	<b>BH</b>
Current ratio		
Quick ratio		
Inventory turnover <sup>a</sup>		
Average collection period <sup>a</sup>		
Debt ratio (%)		
Time interest earned ratio		
Gross profit margin (%)		
Net profit margin (%)		
Return on total assets (%)		
Return on equity (%)		

<sup>a</sup> Based on a 360-day year.

2. Summarize overall financial condition of the given companies by comparing under each criterion. If you want to invest in either BDMS or BH, which company should you choose? Why? **(10 Points)**