

1	Asset	\$	Analysis
	House	150000	<p>This family has net worth of 54350. They have a very high current ratio(56.41%) which hence that their liquidity problem are not in a good position, Month's Living expense Converted ratio (2.10) shows that they can survive just a little over two months without their current income. Overall, liquidity ratios suggest have huge amount of longterm debt compare to their current asset. Their debt ratio(70.70%) is higher than it should be, it should not exceed 50% to be safe. Longterm debt coverage ratio(32.31%) hence that they are in a risky position regarding their financial situation. Savings ratio(1.27%) and Gross saving ratio(0.99%) simply means that they do not save enough money.</p>
	Monet Asset	5500	
	Cars	20000	
	Furniture	10000	
	<b>Total Assets</b>	185500	
	Liab		
	House Mortgage (1730 is current)	100000	
	College loan (860 is current)	10000	
	Cars loan (6010 is current)	20000	
	Bills outstanding (current)	1150	
	<b>Total Liabilities</b>	131150	
	<b>Net Worth</b>	54350	
	<b>Personal Statement</b>		<b>Recommendation</b>
	Income	50000	<p>As their financial position are not in a very good shape, they should decrease their expense to increase savings in every way possible. For example, they can cut the charity part and consume a cheaper food etc. This will lead to a higher amount of cash gain at the end of the year and this will improve the liquidity ratio by far. Moreover, in the next three years, their car loan will be finished, with no car loan payoff, their financial situation will improve further. To this point, all the ratios will improve. On top of that, they should keep in mind that they should not get more loan unless it is really necessary. In the end, their financial situation will improve overtime as the debt will decrease as they pay their loan off.</p>
	Return from monet asset	500	
	Total earning before expense	50500	
	Less expenses		
	Income tax	7500	
	Charity	6000	
	Mortgage	7730	
	Car Loan	7410	
	College loan	1160	
	Utility and property tax expense	2270	
	Food	6000	
	Pay themselves	5000	
	Insurance	1500	
	Other	5430	
	Total expense	50000	
	Cash gain	500	
	Beginning Cash	5000	
	Ending Cash	5500	
	<b>Ratios</b>		
	Liquidity Ratios		
	Current Ratio	56.41%	
	Month's Living expense Converted ratio	2.10	
	Debt Ratios		
	Debt Ratio	70.70%	
	Longterm debt coverage ratio	32.31%	
	Savings Ratios		
	Savings ratio	1.27%	
	Gross Savings Ratios	0.99%	