

# STALK TALK – Basics of Fundamental Analysis



**WHY**  
INVEST?

**INFLATION**

**WHEN**

INVEST?

PLEASE HOLD YOUR BREATH!!

\$63,900,781,780,748,160,000

WARREN BUFFET

OR

JIM SIMONS

# SYSTEMATIC INVESTMENT PLAN



**WHAT**

YOU NEED TO KNOW TO

**INVEST?**

QUICK MONEY  
OR  
WEALTH CREATION

**NIFTY/SENSEX**

# FREE FLOAT MARKET CAP

MARKET CAP = SHARE PRICE x TOTAL NO. OF SHARES

FREE FLOAT MARKET CAP = SHARE PRICE x (TOTAL SHARES – SHARES HELD BY PROMOTERS)

**HOW**  
INVEST?

# MARKET CAP

ENTERPRISE VALUE

DEBT

NET PROFIT MARGIN

**RETURN ON EQUITY**

RETURN ON CAPITAL EMPLOYED  
DEBT EQUITY RATIO

**PRICE** TO EARNING RATIO  
TO BOOK VALUE RATIO  
TO CASH FLOW RATIO  
EARNING TO GROWTH RATIO



## CASH CYCLE

IS THE COMPANY TAKING A LONG TIME TO REALIZE IT'S SALES?

## CFO/PAT

IS THE COMPANY ABLE TO REALIZE IT'S SALES?

## ASSET TURNOVER

IS THE COMPANY ABLE TO USE IT'S ASSETS TO GENERATE SALES?

## INTEREST COVERAGE

IS THE COMPANY MAKING ENOUGH PROFIT TO PAY IT'S INTERESTS?

## QUICK RATIO

CAN THE COMPANY PAY IT'S SHORT TERM DEBTS OFF IF NEED ARISES?

## PROMOTER HOLDING

DO THE COMPANY OWNERS BELIEVE IN THEIR OWN COMPANY?



**DIVIDEND YIELD**



TIPS

**Thank You!**