9. Annual Depreciation Expense (Declining balance method) = \( \frac{100\% \times \text{Acceleration factor (say 200\% or 2)}}{\text{Useful life}} \times \text{Net Book Value} \)

10. Basic EPS = \( \frac{\text{Net Income} - \text{Preferred Dividends}}{\text{Wght Avg No of shares outstanding}} \)

11. Diluted EPS for preferred stock = \( \frac{\text{Net Income}}{(\text{Wght Avg No of shares o/s} + \text{New common shares that would have been issued at conversion})} \)

12. Diluted EPS for convertible debt = \( \frac{\text{Net Income} + \text{AT Int on convertible debt} - \text{Preferred Div}}{(\text{Wght Avg of shares o/s} + \text{Additional common shares that would have been issued at conversion})} \)

13. Diluted EPS using Treasury Stock Method = \( \frac{(\text{Net Income} - \text{Preferred dividends})}{(\text{Wght Avg of shares} + (\text{New shares at option exercise} - \text{Shares purchased with Cash received upon exercise}) \times \text{Proportion of Yr})} \)

14. Net Profit Margin = \( \frac{\text{Net Income}}{\text{Revenue}} \)

15. Gross Profit Margin = \( \frac{\text{Gross Profit}}{\text{Revenue}} \)

16. Comprehensive EPS = EPS + Other Comprehensive Income per share

**Reading 22: Understanding Balance Sheets**

1. Percentage of A/C Receivable estimated to be uncollectible = \( \frac{\text{Allowance for Doubtful A/C}}{\text{Gross amount of A/C Receivable}} \)

2. Net Identifiable Assets = Fair value of identifiable assets - Fair value of liabilities & contingent liabilities

3. Amortized cost of PPE = Historical cost - Accumulated depreciation - Impairment losses

4. Carrying value for PPE under revaluation model = Fair value at date of revaluation - Accumulated depreciation (if any)

5. Amortized cost of PPE = Historical cost - Accumulated depreciation - Impairment losses

6. Carrying value for PPE under revaluation model = Fair value at date of revaluation - Accumulated depreciation (if any)

7. Deferred tax liability = Taxable income < Reported Financial Statement Income before taxes

8. Deferred tax liability = Actual income tax payable in a period < Income tax expense

9. Vertical common-size balance sheet = \( \frac{\text{Balance sheet Amount}}{\text{Total Assets}} \)

10. Current ratio = \( \frac{\text{Current Assets}}{\text{Current Liabilities}} \)

**Reading 23: Understanding Cash Flow Statements**

1. End Cash = Beg cash + Cash receipts (from operating, investing, and financing activities) - Cash payments (for operating, investing, and financing activities)

2. End A/c Receivable = Beg A/c Receivable + Revenues - Cash collected from customers

3. Cash received from customers = Revenue - Increase in a/c receivable

4. Purchases from suppliers = COGS + Increase in inventory