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### The usage:

Application of the ratio analysis technique to personal financial offers potential in expanding insight into specific strengths and weaknesses of your personal financial situation. The ratios are presented below with indications of how each ratio might be used to assess liquidity, solvency, or the general financial position of a particular investor/family. The information provides specific directions in helping the client to develop financial goals. A ratio typically expresses a relationship between two or

more data points /information /parts of the financial statement and provides a context in which to evaluate various aspects of the financial situation. You may DIY or take the help of your financial advisor to chalk out the financial goals for yourself based on these ratios.

**monthly expenses:** Liquid assets are those assets which can be easily sold/liquidated and quickly converted to

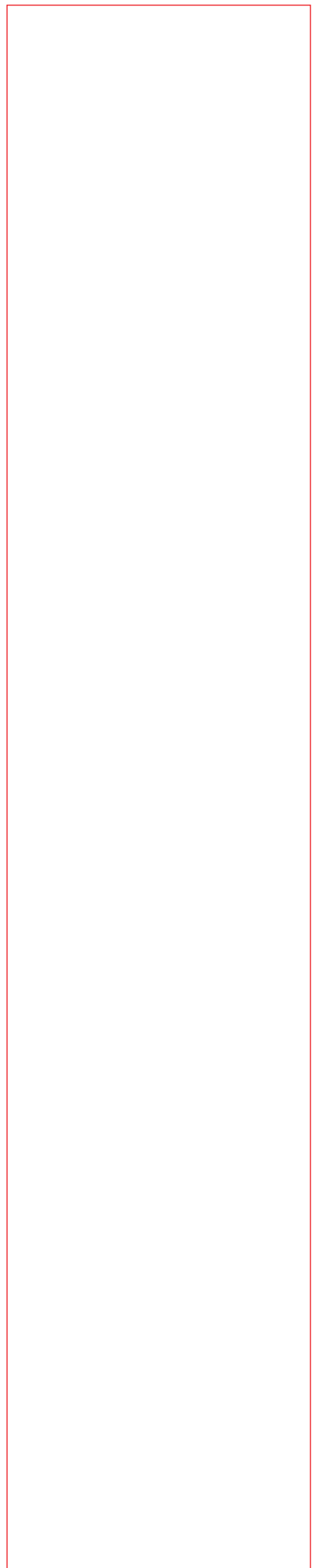
the number of dependents, and so on. The higher the ratio, the better it is for families but too high means that you are not putting money in growth assets.

**2. Debt Exposure – Assets /total debt:**

This ratio examines the relationship between assets and the total debt obligation of the family. Please note that which assets to be included here is of primary concern. If you only include disposable assets, the ratio will indicate how easily you could close off and repay all your debt. However, you could also include all your redeemable financial assets in addition to liquid assets. In such a case, it would show a different picture of your debt ratio. Together these ratios help in determining whether the family has overextended itself or has maintained a debt level within reasonable limits given the family's level of assets. Experts suggest that a ratio of say at least 50% (assets as % of



1. With the GDP growth figures being at six-year lows, do you feel that more rate cuts? Assuming a rate cut happens





1,26,980  
1,29,166  
1,29,458  
1,29,409  
1,27,443  
1,21,304  
1,16,272  
1,15,711  
1,33,091  
1,33,521  
1,8.812 -539.552 35.4 r079,33,521  
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1,8.80,251,15,711

