In fact, the competitor company Farm superstores has better ratios than al-othim in current ratio, the greater the short term solvency then too large current ratio means the company is too liquid and therefore not using its assets effectively. Al-othim company has high or increasing in cash ratio, it's better ability to pay current liabilities with existing cash than farm superstores.Days if shorter or less in measures the average number of days it takes a company to collect a receivable and measures the number of days from purchase of inventory to the sale of the same, it's better in Al-othim than farmstores. In debt equity ratio alothaim is lower than farm superstores which implies a smaller claims of the creditors or greater claims of the owners for al othaim market co. The high long term debt ratio in farmsuptores is associated with high risk, Farm superstores has been aggressive in financing its growth with debt. In return on equity measures how efficiently a firm can use the money from shareholders to generate profits and grow the company. That being said, investors want to see a high return on equity ratio because this indicates that the company is using its investors' funds effectively. Al-othim has higher ratios than farm superstores are almost always better than lower ratios. Since every industry has different levels of investors and income. Gross profit margin ratio is a profitability ratio that measures how profitable a company can sell its inventory. It only makes sense that higher ratios are more favorable. Higher ratios mean the company is selling their inventory at a higher profit percentage. In farm superstores is better than al-othim. A company with a high gross margin ratios mean that the company will have more money to pay operating expenses like salaries, utilities, and rent. Since this ratio measures the profits from selling inventory, it also measures the percentage of sales that can be used to help fund other parts of the business. The operating profit margin ratio is a key indicator for investors and creditors to see how businesses are supporting their operations. If companies can make enough money from their operations to support the business, the company is usually considered more stable. On the other hand, if a company requires both operating and non-operating income to cover the operation expenses, it shows that the business' operating activities are not sustainable. Al-othim has a higher operating margin is more favorable compared with farm superstores a lower ratio because this shows that the company is making enough money from its ongoing operations to pay for its variable costs as well as its fixed costs. As with most financial measurements, net profit margin is also most useful if compared to the company's history and peers. this ratio is one of the most important Income statement measures that management and investors analyze. The historical analysis helps us understand if the company's profitability is improving or declining. A trend analysis can help us question the sustainability of the business model. A declining margin might imply higher competition, reduced bargaining power, or inefficient cost base of a company. though in al-othim higher net profit margin than farm superstores. In cash ratio turnover, the company measures the frequency of company's cash account replenishment through the sales revenue in farm superstores better than al-othim it is leatd to associated with good assets management. Receivable turnover measures the number of times per year that a corporation collects, or turns over, its receivables that are resulted from credit sales.Since the receivables turnover ratio measures a business' ability to efficiently collect its receivables, it only makes sense that a higher ratio would be more favorable. Higher ratios mean that companies are collecting their receivables more frequently throughout the year. Accounts receivable turnover also is and indication of the quality of credit sales and receivables. A al-othim with a higher ratio shows that credit sales are more likely to be collected than a farm superstores with a lower ratio. Since accounts receivable are often posted as collateral for loans, quality of receivables is important. Inventory turnover is a measure of how efficiently a company can control its merchandise, so it is important to have a high turn. In al-othim has higher inventory turnover than farm superstores. This shows the company does not overspend by buying too much inventory and wastes resources by storing non-salable inventory. It also shows that the company can effectively sell the inventory it buys. This measurement in al-othim and farm superstores also shows investors how liquid a company's inventory. Inventory is one of the biggest assets a retailer reports on its balance sheet. If this inventory can't be sold, it is worthless to the company. This measurement shows how easily a company can turn its inventory into cash. The working capital turnover ratio measures how efficiently a business uses its working capital to produce sales. In general, a high ratio in al-othim can help operations run more smoothly and limit the need for additional funding than farm superstores. A higher ratio indicates greater efficiency. This ratio measures how efficiently a firm uses its assets to generate sales, so a higher ratio is always more favorable. Higher turnover ratios in al-othim mean the company is using its assets more efficiently. In farm superstores lower ratios mean that the company isn't using its assets efficiently and most likely have management or production problems. The total asset turnover ratio is a general efficiency ratio that measures how efficiently a company uses all of its assets. This gives investors and creditors an idea of how a company is managed and uses its assets to produce products and sales. Earning per share is the same as any profitability or market prospect ratio. Higher earnings per share in al-othim is always better than a lower ratio in farm superstores because this means the company is more profitable and the company has more profits to distribute to its shareholders. Although many investors don't pay much attention to the EPS, a higher earnings per share ratio often makes the stock price of a company rise. Since so many things can manipulate this ratio, investors tend to look at it but don't let it influence their decisions drastically. Investors in al-othim and farm superstores use the dividend yield formula to compute the cash flow they are getting from their investment in stocks. A company with a high dividend yield pays its investors a large dividend compared to the fair market value of the stock. This means the investors are getting highly compensated for their investments compared with lower dividend yielding stocks. A high or low dividend yield is relative to the industry of the company. Generally, investors want to see a yield as high as possible. Since investors in al-othim ans farm superstores want to see a steady stream of sustainable dividends from a company, the dividend payout ratio analysis is important. A consistent trend in this ratio is usually more important than a high or low ratio. Investors use both of these formats to help determine whether a company is overpriced or underpriced. For example, al-othim and farm superstores has a P/B ratio above 1 indicates that the investors are willing to pay more for the company than its net assets are worth. This could indicate that the company has healthy future profit projections and the investors are willing to pay a premium for that possibility. This valuation method is only one that investors use to see if an investment is overpriced. Keep in mind that this method doesn't take dividends into consideration. Investors are almost always willing to pay more for shares that will regularly and reliability issue a dividend. Overall, it all depends on the nature and the strategy by al-othaim and farm superstores. but

.this comparison based on ratios