

Worksheet 2: Analysis or not

For each of the following pairs of sentences, decide which one is analytical and which one is not. Remember that analysis is about effects, consequences, or reactions

1	Sentence 1	Sentence 2
	The business has three shops, and each shop has a large inventory.	The business has three shops, and the large inventory has a high cost.

Sentence 1	Sentence 2

2	Sentence 1	Sentence 2
	The lower quality of raw materials was used to make the finished product.	The lower quality of raw materials led to lower quality finished goods.

Sentence 1	Sentence 2

3	Sentence 1	Sentence 2
	The increased confidence of investors led to increase in share prices.	The confidence of investors and share prices have increased.

Sentence 1	Sentence 2

4	Sentence 1	Sentence 2
	The receipt of loan and liquidity/current ratio/quick ratio of business has increased.	The receipt of loan has increased the liquidity/current ratio/quick ratio of business.

Sentence 1	Sentence 2

5	Sentence 1	Sentence 2
	Return on capital employed has increased as for the year 2021 it was 10.5% and 2020 was 8.95%	Return on capital employed has increased in 2021 due to increase in profit for the year compared to capital employed for 2020.

Sentence 1	Sentence 2



6

Sentence 1

The control of expenses increased the profit margin.

Sentence 2

The profit margin is calculated by profit/revenue x 100.

Sentence 1

Sentence 2

7

Sentence 1

In August, the business has a negative cash flow, and this could be avoided by not purchasing the machinery.

Sentence 2

By delaying the purchase of machinery to later month, the business could keep the cash flow positive for August.

Sentence 1

Sentence 2

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Sentence 1

The control is diluted by issuing more shares.

Sentence 2

The share issue led to a dilution of control.

Sentence 1

Sentence 2