

SUMMARY

Investors, before investing in stock markets, should make a through research. Otherwise, they could face significant loses.

After analyzing national economy, investors, by doing industry analysis, could identify profitable industries. After identifying productive industries, firms that operate in defined industries with good financial performance must be identified. Because all companies do not have the same performance.

Ratio analysis is one of the important techniques to evaluate financial performance of companies in industries. By ratio analysis, liquidity, leverage, activity and profitability information would be easily obtained. Considering all those criterias overall performance of a firm would be presented. Hence, investment decision would be made more rationally.

In the study, detailed analysis of food industry has been carried out and the description of how the ratio analysis has been outlined.

In the application section of the study, with ratio analysis financial performance of firms in food industry registered to İstanbul Stock Exchange have been measured. Consequently, firms with highest and lowest performance levels have been identified and put in a rank order according to measured performance levels.

In summary, firms operating in food industry with highest financial performance have been identified and possibility of rational decision of investors in this industry have been enhanced.