REVIEW PROBLEM 7.2

The following information about 3 new businesses is available:

	APRIL	MAY	JUNE
Non-current liabilities	-	€20,000	€40,000
Equity	€60,000	€40,000	€20,000
Profit before interest and taxation	€7,200	€7,200	€7,200
Tax rate	20%	20%	20%
Interest rate	10%	10%	10%

REQUIRED: Calculate return on equity (ROE) for each business and compare them.