

## CASE JOTA and KAPA COMPANIES

Regarding the year N, the following data concerning JOTA and KAPA companies are known (in €):

Description	JOTA	KAPA
Current assets on 31/12/N-1	3 000 000	5 000 000
Sales	9 000 000	20 000 000
ROI (Return On Investment)	15%	12%

Based on the data provided, it is required:

1. Comment the two companies performance;
2. Mention to what cost of capital the two companies performance would be identical, using the concept of Residual Income (RI).