49. Income statements for LaRue Co. show the following:

|  |  |  |  |
| --- | --- | --- | --- |
|  | 2011 | 2010 | 2009 |
| Sales (net) ..................... | $500,000 | $400,000 | $350,000 |
| Cost of goods sold: |  |  |  |
| Beginning inventory ............. | 110,000 | 90,000 | 20,000 |
| Purchases ....................... | 420,000 | 330,000 | 370,000 |
|  | $530,000 | $420,000 | $390,000 |
| Ending inventory ................ | 170,000 | 110,000 | 90,000 |
|  | 360,000 | 310,000 | 300,000 |
| Gross profit .................... | $140,000 | $ 90,000 | $ 50,000 |

From the data presented, calculate the following ratios for 2011 and 2010:

|  |  |
| --- | --- |
| (1) | Inventory turnover rate. |
| (2) | Number of days' sales in inventories. |
| (3) | Gross profit margin on sales. |

50. The following are comparative data for Gates Company for the three-year period 2009-2011:

|  |  |  |  |
| --- | --- | --- | --- |
| Income Statement Data | | | |
|  | 2011 | 2010 | 2009 |
| Net sales (80% are on credit each period) ......................... | $900,000 | $720,000 | $840,000 |
| Net purchases ................... | 480,000 | 390,000 | 330,000 |
|  |  |  |  |
| Balance Sheet Data | | | |
| Accounts receivable, December 31 | $150,000 | $132,000 | $126,000 |

Compute the following measurements for 2011 and 2010:

|  |  |
| --- | --- |
| (1) | The receivables turnover rate. |
| (2) | The average collection period for accounts receivable. |