201-

Return on Equity = ROE =25%

Net Profit Margin = NPM=5%

Total Asset Turnover = TAT=2

Inventory = $4,000

Accounts Receivables = $2,500

Sales = $50,000,

Current Liabilities = $5,000

Net Working Capital = NWC = $2,000

All sales are on credit.

Assume no prepaid expenses.

Assume 365 days

 Compute the following:

1. Debt ratio,
2. Debt/equity ratio
3. Equity multiplier
4. Total assets
5. Total debt
6. Long term debt
7. If total assets comprise of CA and Fixed Assets, compute Fixed Assets
8. Current ratio, quick ratio
9. Accounts Receivable Turnover, Average Collection Period
10. Return on Assets = ROA

**205**

Given the following information for O’Hara Marine Co., calculate the depreciation expense: Sales = $29,000, Costs = $13,000, Transfer to RE = $500, Dividend paid = $900, Interest Expense = $1,600, Tax Rate = 35%

Hint: first write down the headings for the Income Statement and then work your way from bottom to top, one step at a time.

**Note that,** Market price per share is same as price per share is same as market value per share.