

PE 17-1A
Horizontal analysis

obj. 1

The comparative marketable securities and inventory balances for a company are provided below.

	2008	2007
Marketable securities	\$68,200	\$55,000
Inventory	63,700	65,000

Based on this information, what is the amount and percentage of increase or decrease that would be shown in a balance sheet with horizontal analysis?

PE 17-2A
Common-size financial statements

obj. 1

Income statement information for Washburn Corporation is provided below.

Sales	\$400,000
Cost of goods sold	<u>340,000</u>
Gross profit	<u>\$ 60,000</u>

Prepare a vertical analysis of the income statement for Washburn Corporation.

PE 17-3A
Current position analysis

obj. 2

The following items are reported on a company's balance sheet:

Cash	\$125,000
Marketable securities	40,000
Accounts receivable (net)	30,000
Inventory	120,000
Accounts payable	150,000

Determine (a) the current ratio and (b) the quick ratio. Round to one decimal place.