The net income reported on an income statement for the current year was $55,000. Depreciation recorded on fixed assets for the year was $24,000. Balances of the current asset and current liability accounts at the end and beginning of the year are listed below. Prepare the cash flows from **operating activities** section of a statement of cash flows using the indirect method.

 End Beginning

Cash $ 65,000 $ 70,000

Accounts receivable (net) 70,000 63,000

Inventories 85,000 102,000

Prepaid expenses 4,000 4,500

Account payable

(merchandise creditors) 50,000 58,000

Cash dividends payable 4,500 6,500

Salaries payable 6,000 7,500

COMPANY X

STATEMENT OF CASH FLOW

12-31-08

MORTON CO. BALANCE SHEET

 ASSETS

Cash $ 126,100

Marketable Securities 117,500

Account Receivable 456,700

Inventories 1,880,000

Prepaid Expenses 72,600

Equipment 5,352,200

Land 217,000

Total Assets $ 8,212,100

 LIABILITIES AND STOCKHOLDERS EQUITY

Account Payable $ 517,400

Notes Payable 1,000,000

Income Tax Payable 85,200

Bonds Payable 2,000,000

Common Stock - $1 par 1,747,300

Retained Earnings 2,512,200

Total $ 8,212,100

During the year, Morton paid a total of $140,000 in dividends, and its current market price per share is $20. Assume that all notes payable are current liabilities and that all bonds payable are long-term liabilities. Also inventories and receivables remained constant. Sales were $6,580,000, cost of sales was $4,606,000, gross profit was $1,974,000 and Net income was $168,000.

INSTRUCTIONS: Compute the analytical measures listed below, rounding to one decimal point. & show work.

1. Quick Ratio
2. Current Ratio
3. Inventory Turnover
4. Accounts Receivable turnover
5. Earnings per share on common stock
6. Price-earnings ratio on common stock
7. Dividend yield on common stock