**Better Mouse Trap , INC, Income Statements( in 000’s,except eps)**

2007 2008 2009

Net sales $495,990 $570,389 $541,869

Cost of good 310,507 357,083 334,235

Gross profit 185,483 213,306 207,634

Selling & admin expenses 99,233 103.202 107,330

Operating income 86,250 110,104 100,304

Other income ( expenses) 9,191 9,559 9,941

Interest expenses 726 755 785

Income before taxes 76,333 99,790 89,578

Income tax 28,243 36,922 33,144

Net income 48,090 62,868 56,434

Avg number of common shares 57,405 56,585 55,157

EPS 0.84 1.11 1.02

**Better Mouse Trap, INC Balance Sheets**

**2007 2008 2009**

**Assets**

**Cash & Equivalents 79,260 98,913 86,871**

**Accounts recievables 41,211 36,860 34,196**

**Inventories 63,957 57,402 55,584**

**Other current Assets 6,489 6,551 11,328**

**Total current Assets 190,917 199,726 187,979**

**Long term Investments 61,249 74,393 59,083**

**Prop. Plant &Equip, Net 202,898 201,401 217,628**

**Good will 74,194 73,237 73,237**

**Intangible Assets 189,024 189,024 189,024**

**Other Assets 73,357 74,944 85,141**

**Total Assets 791,639 812,725 812,092**

**Liabilities**

**Account Payable 62,211 57,972 59,252**

**Total Current Liabilites 62,211 57,972 59,252**

**Long term Debt 7500 7500 7,500**

**Other Liabilities 91,247 109,023 110,570**

**Total liabilities 160,958 174,495 177,322**

**Common Stock 37,329 37,706 38,204**

**Additional Capital 424,119 443,772 453,694**

**Retained Earnings 169,233 156,752 142,872**

**Total Equity 630,681 638,230 634,770**

**Total earnings &Equity 791,639 812,725 812,092**

Question1.

a. What is the company's average annual rate of sales growth from 2007 through 2009?

b. How long, on average, was Better Mouse Trap taking to collect on its receivable accounts in 2009? (Assume all of the company’s sales were on credit.)

c. Was Better Mouse Trap more or less profitable in 2009 than it was in 2007? Justify your answer using at least two ratios.

d. Was Better Mouse Trap more or less liquid at the end of 2009 than it was at the end of

2007? Justify your answer using at least two ratios.