|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Selected year-end financial statements of Cadet Corporation follow. (All sales were on credit; selected balance sheet amounts at December 31, 2008, were inventory, $50,900; total assets, $219,400; common stock, $90,000; and retained earnings, $52,748.) | | | | | | | | | | | | | | | |
| CADET CORPORATION Income Statement For Year Ended December 31, 2009 | | | | | | | | | | | | | |  | |
| Sales | | | | | | | | |  |  | $452,600 | |  |  | |
| Cost of goods sold | | | | | | | | |  |  | 297,650 | |  |  | |
| Gross profit | | | | | | | | |  |  | 154,950 | |  |  | |
| Operating expenses | | | | | | | | |  |  | 98,700 | |  |  | |
| Interest expense | | | | | | | | |  |  | 5,000 | |  |  | |
| Income before taxes | | | | | | | | |  |  | 51,250 | |  |  | |
| Income taxes | | | | | | | | |  |  | 20,646 | |  |  | |
| Net income | | | | | | | | |  |  | $30,604 | |  |  | |
|  | | | | | | | | | | | | | |  | |
| CADET CORPORATION Balance Sheet December 31, 2009 | | | | | | | | | | | | | | | | |  |
| **Assets** | | |  |  |  | |  | | **Liabilities and Equity** | | |  |  |  | |  |  |
| Cash | | |  |  | $22,000 | |  | | Accounts payable | | |  |  | $18,500 | |  |  |
| Short-term investments | | |  |  | 9,200 | |  | | Accrued wages payable | | |  |  | 3,000 | |  |  |
| Accounts receivable, net | | |  |  | 31,200 | |  | | Income taxes payable | | |  |  | 3,200 | |  |  |
| Notes receivable (trade)\* | | |  |  | 5,000 | |  | | Long-term note payable, secured by mortgage on plant assets | | |  |  | 70,400 | |  |  |
| Merchandise inventory | | |  |  | 40,150 | |  | | Common stock | | |  |  | 90,000 | |  |  |
| Prepaid expenses | | |  |  | 2,800 | |  | | Retained earnings | | |  |  | 75,550 | |  |  |
| Plant assets, net | | |  |  | 150,300 | |  | | Total liabilities and equity | | |  |  | $260,650 | |  |  |
| Total assets | | |  |  | $260,650 | |  | |  | | |  |  |  | |  |  |
|  | | | | | | | | | | | | | | | | | |
| \* These are short-term notes receivable arising from customer (trade) sales. | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | | |
| Compute the following: **(Do not round interim calculations. Round your answers to 1 decimal place. Omit the "%" sign in your response.)** | | | | | | | | | | | | | | |
| 1. | Current ratio |  | | | | to | |  | | | | | | |
| 2. | Acid-test ratio |  | | | | to | |  | | | | | | |
| 3. | Days' sales uncollected |  | | | | days | |  | | | | | | |
| 4. | Inventory turnover |  | | | | times | |  | | | | | | |
| 5. | Days' sales in inventory |  | | | | days | |  | | | | | | |
| 6. | Debt-to-equity ratio |  | | | | to | |  | | | | | | |
| 7. | Times interest earned |  | | | | times | |  | | | | | | |
| 8. | Profit margin ratio |  | | | | % | |  | | | | | | |
| 9. | Total asset turnover |  | | | | times | |  | | | | | | |
| 10. | Return on total assets |  | | | | % | |  | | | | | | |
| 11. | Return on common stockholders' equity |  | | | | % | |  | | | | | | |