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| --- |
| 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 CORPORATIONIncome StatementFor 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 CORPORATIONBalance SheetDecember 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 |  |  % |   |