**Industry Average Actual** 2009 Actual 2010

Current Ratio 1.3 1.0

Quick Ratio 0.8 0.75

Average Collection Period 23 Days 30 Days

Inventory Turnover 21.7 19

Debt Ratio 64.7% 50%

Times Interest Earned 4.8 5.5

Gross Profit Margin 13.6% 12.0%

Net Profit Margin 1.0% 0.5%

Return on Total Assets 2.9% 2.0%

Return on Equity 8.2% 4.0%

**Income Statement**

 Sales Revenue $100,000

Less: Cost of Goods Sold 87,000

Gross Profit $13,000

Less: Operating Expenses 11,000

Operating Profit $2,000

Less: Interest Expense 500

Net Profit before Taxes $1,500

Less: Taxes (40%) 600

Net Profit after Taxes $900

 Assets

 Cash $1,000

Accounts Receivable 8,900

Inventories 4,350

Total Current Assets 14,250

Gross Fixed Assets $35,000

Less: Accumulated Depreciation 13,250

Net Fixed Assets 21,750

Total Assets $36,000

**Liabilities and stock holder equity**

 Accounts Payable $ 9,000

Accrual 6,675

Total Current Liabilities $15,675

Long Term Debt 4,125

Total Liabilities $19,800

Stockholders’ Equity:

Common Stock 1,000

Retained Earnings 15,200

Total Stockholders’ Equity $16,200

Total Liabilities & Stockholders’ Equity $36,000

The current ratio is 2010 is?

Since 2009 the liquidiy has increased or decreased?

The net working capital in 2010 was?

The inventory turnover in 2010 was?

The inventory management since 2009 has?

The average collection period in 2010 was?

The gross profit margin and net profit margin pecets in 2010 were?

The return on total assets in 2010 was?

The return on equity in 2010 was?