The table below contains selected financial information included in the 2009 financial statements of Saks, Inc.., and Dillard’s, Inc., two companies in the department store industry.

 ($ in Millions) **Saks** **Dillards**

 **2009 2008 2009 2008**  **Balance sheet**:

 Inventories $ 729 $857 $1,374 $1,779

 **Income statement**

 Net sales $3,030 $6,831

 Cost of goods sold 2,062 4,828

Calculate the 2009 gross profit ratio, inventory turnover ratio, and average days in inventory for both companies. Evaluate management of each company’s investments. Industry averages for these ratios are as follows:

 Gross Profit 25%

 Inventory turnover 2.73

 Average days in inventory 134