

Group Project 17-5

Problem Data

Summary information from the financial statements of two companies competing in the same industry follows:

Data from the 2012 year-end balance sheets

	Birdy Co.	Bogey Co.
Assets		
Cash	\$ 91,000	\$ 52,000
Accounts receivable, net	60,200	40,000
Merchandise inventory	50,400	80,500
Plant assets, net	<u>201,170</u>	<u>205,000</u>
Total assets	<u>\$402,770</u>	<u>\$377,500</u>
Liabilities and Equity		
Current liabilities	\$ 50,400	\$ 115,000
Long-term notes payable	64,000	176,000
Common stock, \$2 par value	100,000	50,000
Retained earnings	<u>188,370</u>	<u>36,500</u>
Total liabilities and equity	<u>\$402,770</u>	<u>\$377,500</u>

Beginning-of-year balance sheet data:

	Birdy Co.	Bogey Co.
Accounts receivable, net	\$ 54,700	\$38,000
Merchandise inventory	45,500	88,000
Total assets	181,166	355,870
Common stock, \$2 par value	100,000	40,000
Retained earnings	166,500	30,100

Data from the 2012 income statement:

	Birdy Co.	Bogey Co.
Sales	\$540,030	\$468,000
Cost of goods sold	393,190	303,300
Selling & Administrative expense	6,400	20,400
Income tax expense	54,031	114,100
Net income	86,409	30,200
Basic earnings per share	1.73	1.21