Problem 3

The following is balance sheet, income statement, and other financial information applicable to the Hilo Town Restaurant's operation in July 20XX.

Balance Sheet Information		**Income Statement Information**	
Current assets	$98,400	Food revenue	$155,000
Current liabilities	$71,200	Beverage revenue	$20,000
Total assets	$390,010	Net income before taxes	$10,900
Total liabilities	$217,100	Total labor costs	$52,400

Other Financial and Related Information	
Beginning food inventory	$12,480
Ending food inventory	$14,100
Cost of sales (food)	$41,075
Cost of sales (beverage)	$4,900
Number of guests served (average day) in July	452
Number of seats in restaurant	98

Use the preceding information to answer the following questions:

a. What is the current ratio? What does it mean?

b. What is the solvency ratio? What does it mean?

c. What is the average food inventory?

d. What is the food inventory turnover rate? How often (number of days) does the food inventory turn over?

e. What is the property's profit margin?

f. What is the restaurant's food cost percentage?

g. What is the restaurant's beverage cost percentage?

h. What is the restaurant's labor cost percentage?

i. What is the average food service check?

j. What is the seat turnover?