

Marty's Convenience Store Questions

Income Statement:

1. How does Marty's Gross Profit compare to his industry? What dollar amount is he over or under?
2. What is the break-even sales amount?
3. How would you describe his ability to manage the costs of running the business?
4. How is his profit compared to others during 2002?

Balance Sheet:

1. How does his cash position compare to his peer group? Under or over by how much?
2. How would you describe his inventory level? Too high or low, by how much?
3. How's his current liabilities compare to industry averages. High or low by how much?
4. How's his total debt compare? High or low by how much?
5. What are your recommendations for Marty?

Marty's Convenience Store
Income Projected for the next 12 months

Sales	\$2,683,843.00	
Cost of Sales	\$1,813,058.00	
Gross Profit	\$870,785.00	32.45%
Expenses:		
Advertising	\$8,198.00	
Payroll and Benefits	\$461,894.00	
Depreciation	\$34,231.00	
Utilities	\$48,256.00	
Office Supplies	\$5,456.00	
Maintenance and Repa	\$11,898.00	
Total Expenses	\$569,933.00	21.24%
Operating Profit	\$300,852.00	11.21%
Interest	\$15,230.00	0.57%
Taxes	\$17,533.00	0.65%
Net Income (loss)	\$268,089.00	9.99%

Marty's Convenience Store
Balance Sheet
As of: Today

Current Assets		
Cash	\$154,216.00	16.97%
Receivables	\$15,446.00	1.70%
Inventory	\$291,000.00	32.02%
Other Current	\$20,000.00	2.20%
Total Current Assets	\$480,662.00	52.88%
Property, Plant and Equipment	\$380,314.00	41.84%
Other assets	\$47,957.00	5.28%
Total Assets	<u>\$908,933.00</u>	100.00%
Current Liabilities		
Notes Payable	\$218,143.92	
Trade Payables	\$68,169.98	
Other Current	\$148,156.08	
Total Current Liabilities	\$434,469.97	47.80%
Long Term Debt	\$190,875.93	21.00%
Total Liabilities	\$625,345.90	68.80%
Net Worth	\$283,587.10	31.20%
Total Liabilities and Net Worth	<u>\$908,933.00</u>	100.00%

