

Questions 1 - 2 (of 2)

[Score This Question](#)



Save & Exit

Submit

Time remaining: 3:15:04

[The following information applies to the questions displayed below.]

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

	Barco Company	Kyan Company		Barco Company	Kyan Company
Data from the current year-end balance sheets			Data from the current year's income statement		
Assets			Sales	\$800,000	\$ 920,200
Cash	\$ 20,500	\$ 33,000	Cost of goods sold	590,100	648,500
Accounts receivable, net	36,400	53,400	Interest expense	7,600	13,000
Current notes receivable (trade)	9,700	8,000	Income tax expense	15,377	25,404
Merchandise inventory	84,240	136,500	Net income	186,923	233,296
Prepaid expenses	5,900	7,400	Basic earnings per share	4.67	5.40
Plant assets, net	290,000	307,400			
Total assets	\$ 446,740	\$545,700			
Liabilities and Equity			Beginning-of-year balance sheet data		
Current liabilities	\$ 66,340	\$ 99,300	Accounts receivable, net	\$ 32,800	\$ 51,200
Long-term notes payable	78,800	103,000	Current notes receivable (trade)	0	0
Common stock, \$5 par value	200,000	216,000	Merchandise inventory	53,600	111,400
Retained earnings	101,600	127,400	Total assets	388,000	382,500
Total liabilities and equity	\$ 446,740	\$545,700	Common stock, \$5 par value	200,000	216,000
			Retained earnings	115,300	101,600

1.

value:
20.00 points

[Required information](#)

Required:

- 1.1 For both companies compute the (a) current ratio, (b) acid-test ratio, (c) accounts (including notes) receivable turnover, (d) inventory turnover, (e) days' sales in inventory, and (f) days' sales uncollected. (Use 365 days a year. Do not round intermediate calculations.)

Current Ratio				
Company	Choose Numerator:	/	Choose Denominator:	= Current Ratio
		/		= Current Ratio
Barco		/		= 0 to 1
Kyan		/		= 0 to 1