Answer on Question #39298 – Economics – Finance

Here we can see the table with some formulas

Current Ratio	current assets/current liabilities	2,5
Liquidity Ratio	(current assets - inventory)/current liabilities	1,3
Net Working Capital	current assets - current liabilities	120,000
Stock Turnover Ratio	net sales/inventory	6
Ratio of Gross Profit to Sales	(revenue - cost of goods)/net sales	0,2
Debt collection period	(Average Debtors / Credit Sales) x 365	40
Fixed Assets to Net Worth	fixed assets/(total assets - total liabilit.)	0,8
Reserve and Surplus to Capital	Reserve and Surplus to Capital	0,5
B/S	Balance	1,100,000

Using these formulas we can calculate:

current assets	500,000
inventory	200,000
current liabilities	200,000
net sales	1,200,000
gross profit	240,000
fixed assets	600,000

So, we can build the balance sheet.

Balance

Fixed assets	600,000
Current assets and inventory	500,000
Total Assets:	1,100,000
Current liabilities	200,000
Capital	480,000
Long-term liabilities and other	420,000
Total Liabilities:	1,100,000