

### Answer on Question #39641- Economics- Finance

Here we can see the table with some formulae.

Current Ratio	current assets/current liabilities	2,5
Liquidity Ratio	(current assets - inventory)/current liabilities	1,3
Net Working Capital	current assets - current liabilities	120000
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	1100000

Using these formulae we can calculate:

current assets	500000
inventory	200000
current liabilities	200000
net sales	1200000
gross profit	240000
fixed assets	600000

So, we can build the balance sheet.

#### Balance

Fixed assets	600000
Current assets and inventory	500000
<b>Total Assets:</b>	<b>1100000</b>
Current liabilities	200000
Capital	480000
Long-term liabilities and other	420000