

Answer on Question #45456, 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	1,5	
Net Working Capital	current assets - current liabilities	300000	
Stock Turnover Ratio	net sales/inventory	6	
Ratio of Gross Profit to Sales	(revenue - cost of goods)/net sales	0,2	
Fixed Asset Turnover Ratio Average	net sales/fixed assets	2	
Debt collection period	(Average Debtors / Credit Sales) x 365	2	
Fixed Assets to Net Worth Reserve and Surplus to Capital	fixed assets/(total assets - total liabilities)	0,8	
B/S	Reserve and Surplus to Capital Balance	0,5 1100000	Using these formulas 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
Total Assets:	1100000
Current liabilities	200000
Capital	480000
Long-term liabilities and other	420000
Total Liabilities:	1100000