

CHECKLIST OF KEY FIGURES
For Exercises and Problems in
Kimmel, Weygandt, Kieso
FINANCIAL ACCOUNTING: TOOLS FOR BUSINESS DECISION MAKING, FIFTH EDITION

Chapter 1

Exer.

No.

- 1-4** Net income \$8,400.
1-5 Net income \$4,576.1.
1-6 Ending retained earnings \$278,000.
1-8 (b) Net income \$34,154.
1-9 Common stock \$30,000; Cost of goods sold \$55,000.
1-10 (b) Ending retained earnings \$24,000; total assets \$125,000.
1-11 (b) Net income \$1,005.1.
1-12 (a) Net increase in cash \$19,000.
1-13 (a) Net decrease in cash \$(762).
1-14 Total assets \$82,000.
1-15 (b) Total assets \$7,891.6; total liabilities \$3,109.9.
1-16 (c) Dividends \$40,000.
(f) Total revenues \$125,000.
- P1-3A** Net income \$3,300, Retained earnings \$1,300, Total assets, \$40,000
P1-4A Net cash provided by operating activities \$24,000
P1-5A (b) Total assets \$79,000
P1-3B Net income \$3,500, Retained earnings \$1,800, Total assets \$77,200
P1-4B Net cash provided by operating activities \$24,000
P1-5B (b) Net income \$40,000
BYP 1-1 (e) Decrease in net income \$14,294,000
BYP 1-2 Hershey's net income \$214,154; Tootsie Roll's net income \$51,625
BYP 1-7 Total assets \$39,000
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Chapter 2

Exer.

No.

- 2-3** Total current assets \$22,983.
2-4 Total current assets \$3,019,002.
2-5 Total assets \$214,200.
2-6 Total assets \$13,930.
2-7 (a) 2006 earnings per share \$.34.

- 2-8** (a) Net loss \$(3,700).
 (b) Total assets \$51,480.
- 2-9** (a) Ending current ratio 1.91:1.
- 2-10** (b) Current ratio 3.0:1.
- 2-11** (b) 2007 Free cash flow \$461,808.
- P2-1A** Total assets \$11,513,608
- P2-2A** Net income \$25,700, Retained earnings \$44,700, Total assets \$79,000
- P2-3A** Net income \$1,800, Retained earnings \$3,075
 Total assets \$9,116
- P2-4A** (a) Earnings per share, Bedene \$3.28, (c) Free cash flow: Groneman \$1,000
- P2-5A** (ii) Current ratio 2.0:1 (iii) Free cash flow \$67,800
- P2-6A** (b) 2010 Working capital \$100,000 (e) 2010 Free cash flow \$22,000
- P2-7A** (b) Current ratio: Target 1.3:1 Wal-Mart .90:1
 (d) Free cash flow: Target \$554 Wal-Mart \$1,741
- P2-1B** Total assets \$10,714.0
- P2-2B** Net income \$16,500, Retained earnings \$16,900, Total assets \$35,000
- P2-3B** Net income \$10,200, Retained earnings \$21,360, Total assets \$49,935
- P2-4B** (a) Earnings per share: James \$.37 (c) Free cash flow: Smyth \$12,000
- P2-5B** (i) Current ratio 2.1:1, (iv) Free cash flow \$19,300
- P2-6B** (b) 2010 Working capital \$111,000 (e) 2010 Free cash flow \$30,000
- P2-7B** (b) Current ratio: Blockbuster 1.12:1 Movie Gallery .89:1
 (d) Free cash flow: Blockbuster \$239 Movie Gallery (\$30)
- BYP 2-1** 2007 current assets \$199,726,000
- BYP 2-2** (a)
- | | | |
|-------------------|---------------|--------------|
| | Hershey Foods | Tootsie Roll |
| 2. Current ratio | .88:1 | 3.4:1 |
| 4. Free cash flow | \$336,875 | \$57,755 |
- BYP 2-4** (a) Percentage decrease in total assets 17%

Chapter 3

Exer.

No.

- 3-2** Ending cash \$12,000
- 3-3** Ending cash \$56,400
- 3-4** (b) Stockholders' equity increase \$23,500.
 (c) Net income \$5,500.
- 3-5** Net income \$5,500; Total assets \$26,500.
- 3-9** (b) Totals \$44,840.
- 3-10** (a) Total assets \$22,500.
- 3-11** (b) Totals \$21,400.
- 3-12** (b) Totals \$14,800.
- 3-13** (b) Totals \$20,970.
- 3-15** (a) Totals \$98,450.
 (b) Net income \$5,514; Total assets \$87,764.

- P3-1A** (a) Ending cash balance: \$29,000; (b) Net income \$7,700
P3-2A (a) Ending cash balance: \$18,100; (b) Net income \$1,700
P3-3A (a) Ending cash balance: \$7,050; (b) Net income \$2,300
P3-5A (b) Ending balances: Cash \$15,100, Accounts Payable \$700
(c) Trial balance totals \$20,000
P3-6A (c) Ending balances: Cash \$5,900
(d) Trial balance totals \$24,600
P3-7A Trial balance totals \$16,880
P3-8A (c) Ending balances: Cash \$31,750, Accounts Payable \$9,400
(d) Trial balance totals \$127,200
P3-1B (a) Ending cash balance: \$15,600; (b) Net income \$3,510
P3-2B (a) Ending cash balance: \$12,500; (b) Net income \$2,200
P3-3B (a) Ending cash balance: \$10,950; (b) Net income \$7,380
P3-5B (b) Ending balances: Cash \$54,300, Accounts Payable \$400
(c) Trial balance totals \$59,200
P3-6B (c) Ending balances: Cash \$5,198, Accounts Payable \$5,770
(d) Trial balance totals \$53,300
P3-7B Trial balance totals \$25,320
P3-8B (c) Ending balances: Cash \$7,010 Accounts Payable \$2,000
(d) Trial balance totals \$36,240
BYP 3-7 (c) Correct net income \$5,900
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Chapter 4

Exer.

No.

- 4-4** Accrual basis earnings \$34,980.
4-5 (a) Cash basis income \$6,400.
4-6 (a) Net income \$16,165.
(b) Total assets \$36,585.
4-12 Net income \$1,600.
4-13 (a) \$1,000; (c) \$1,900.
4-16 Net income \$13,900; Total assets \$34,500.

- P4-1A** (b) Cash received \$190,000
P4-2A (b) Ending balances: Prepaid Insurance \$2,420, Salaries Expense \$5,250
(c) Adjusted trial balance totals \$44,670
P4-3A (b) Ending balances: Prepaid Insurance \$1,500, Salaries Expense \$3,750
(c) Adjusted trial balance totals \$114,510; (d) Net income \$3,840, Total assets \$106,300
P4-4A (b) Net income \$2,050, Retained earnings \$1,450, Total assets \$23,610
P4-6A (b) Net income \$40,165
P4-7A (e) Ending balances: Cash \$1,370, Salaries Expense \$2,080
(f) Adjusted trial balance totals \$22,880; (g) Net loss (\$1,200), Total assets \$18,030
P4-8A (e) Ending balances: Cash \$4,240, Retained Earnings \$3,200

(f) Adjusted trial balance totals \$25,450 (g) Net income \$3,800, Total assets \$21,000
P4-1B (b) Cash received \$147,000
P4-2B (b) Ending balances: Prepaid Insurance \$3,500, Salaries Expense \$4,720
(c) Adjusted trial balance totals \$37,680
P4-3B (b) Ending balances: Prepaid Insurance 4,050, Salaries Expense \$53,600
(c) Adjusted trial balance totals \$318,000; (d) Net income 11,750, Total assets \$236,450
P4-4B (b) Net income \$38,570, Retained earnings \$34,070, Total assets \$68,790
P4-6B (b) Net income \$13,040
P4-7B (e) Ending balances: Cash \$3,230, Salaries expense \$2,000
(f) Adjusted trial balance totals \$30,800; (g) Net income \$1,900, Total assets \$25,400
P4-8B (e) Ending balances: Cash \$6,200, Retained Earnings \$3,300
(f) Adjusted trial balance totals \$28,780 (g) Net income \$4,200, Total assets \$23,330
BYP 4-6 (a) Net income \$24,500
BYP 4-9 Total assets \$15,350

Chapter 5

Exer.

No.

5-1 (a) (3) Cash received \$ 467,280.
5-3 (a) (5) Cash paid \$20,972.
5-4 (a) Cash paid (June 19) \$7,275.
5-5 Net sales \$868,500.
5-6 (a) Net income \$15,000.
5-7 (b) Profit margin ratio-Iwig .15;
Gross profit rate-Pratt .40.
5-8 (a) Net income \$31,500.
5-9 (a) Net income \$496.
5-10 Cost of goods sold \$154,200.
5-11 (b) \$1,570, (d) \$40, (f) \$120,
(h) \$640, (j) \$5,000, (l) \$44,530.
5-13 (a) (5) Cash paid \$20,972.

P5-1A (b) Ending balances: Cash \$3,830, Merchandise Inventory \$5,554
(c) Gross profit \$2,764
P5-3A (b) Ending balances: Cash \$1,467, Merchandise Inventory \$4,463
(c) Trial balance totals \$7,720; (d) Gross profit \$490
P5-4A (a) Net income \$43,900, Retained earnings \$46,100, Total assets \$161,400
P5-5A Net income \$72,000
P5-6A (b) Ending balances: Accumulated Depreciation- Equipment \$49,500
(c) Adjusted trial balance totals \$1,368,500
(d) Net income \$78,100, Retained earnings \$136,300, Total assets \$393,000
P5-7A Gross profit \$270,700
P5-8A (g) Purchases \$30,540; (h) Cash payments \$32,440
P5-9A (b) Ending balances: Cash \$1,467; Accounts Receivable \$560,

- (c) Trial balance totals \$7,997; (d) Gross profit \$682
P5-1B (b) Ending balances: Cash \$2,970, Merchandise Inventory \$7,930
(c) Gross profit \$6,080
P5-3B (b) Ending balances: Cash \$1,304, Merchandise Inventory \$2,706
(c) Trial balance totals \$5,760; (d) Gross profit \$490
P5-4B (a) Net income \$20,800, Retained earnings \$25,000, Total assets \$328,600
P5-5B Net income \$47,840
P5-6B (b) Ending balances: Accumulated Depreciation- Store Equipment \$49,000
(c) Adjusted trial balance totals \$1,021,000
(d) Net income \$9,100, Retained earnings \$27,100, Total assets \$199,900
P5-7B Gross profit \$286,300
P5-8B (b) Gross profit-2009, \$78,000; 2011-\$78,800
P5-9B (b) Ending balances: Cash \$1,304; Accounts Receivable \$680
(c) Trial balance totals \$5,984; (d) Gross profit \$490
CP (b) Ending balances: Cash \$12,760, Merchandise Inventory \$8,820
(d) Adjusted trial balance totals \$66,200
(e) Net income \$680, Total assets \$46,380
BYP 5-1 (a) 2006 to 2007 sales decreased .7%
(c) 2006 gross profit rate 33.9%
BYP 5-2 (a)
- | | Tootsie Roll | Hershey |
|-------------------------|--------------|---------|
| (1) Profit margin ratio | 10.4% | 4.3% |
| (3) Gross profit rate | 33.9% | 33.0% |
- BYP 5-4** (a) Gross profit rate: Carrefour 22.5%, Wal-Mart 22.5%
(b) Profit margin ratio: Carrefour 2.5%, Wal-Mart 3.5%
BYP 5-6 (a) (1) Net income \$62,000 (c) Net income \$93,440
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Chapter 6

Exer.

No.

- 6-1** Correct inventory \$314,000.
6-2 Correct inventory \$532,000.
6-4 (a) Cost of goods sold: FIFO \$12,165; LIFO \$12,220.
6-5 (a) \$773; (b) \$788.21; (c) \$807.
6-7 (a) Cost of goods sold: FIFO \$4,975; LIFO \$5,300; Average \$5,100.
6-8 (a) LIFO Net income \$12,600; (b) FIFO Net cash provided \$23,900.
6-9 Total LCM \$4,443.
6-10 2006: Inventory turnover 8.7; Gross profit rate .55.
6-11 (a) Inventory turnover 7.5.
(b) Adjusted current ratio 2.19:1.
6-12 (a) Ending inventory: FIFO \$1,400; LIFO \$1,260; Moving average \$1,369.
6-13 (a) FIFO \$1,155; LIFO \$1,132; Average \$1,150.
6-14 2010 Cost of goods sold \$159,000.
6-15 (a) 2010 Gross profit \$73,000.

- P6-2A** (a) Cost of goods available for sale \$145,000
 (b) Ending inventory: FIFO \$32,000, LIFO \$21,500, Average cost \$27,189
- P6-3A** (a) Cost of goods available for sale \$18,500
 (b) Ending inventory; FIFO \$5,600, Average cost \$4,868, LIFO \$4,300
- P6-4A** Net income FIFO \$180,360, LIFO \$166,680
- P6-5A** Gross profit: LIFO \$2,950, FIFO \$3,250, Average cost \$3,072
- P6-6A** (a) (1) Gross profit \$166,750 (b) Cost of goods sold: FIFO \$201,250, LIFO \$210,750
- P6-7A** (a) Inventory turnover ratio 11.9, (c) Current ratio .95:1
- P6-8A** (a) Ending Inventory: LIFO \$1,600, FIFO \$2,080, Moving average \$1,923
- P6-9A** Ending inventory: FIFO \$213, Average cost \$200, LIFO \$186
- P6-2B** (a) Cost of goods available for sale \$91,000
 (b) Ending inventory: FIFO \$34,500 LIFO \$22,500 Average cost \$28,000
- P6-3B** (a) Cost of goods available for sale \$27,950
 (b) Ending inventory: FIFO \$8,600, LIFO \$6,600, Average cost \$7,623
- P6-4B** Net income FIFO \$115,056, LIFO \$110,160
- P6-5B** Gross profit: LIFO \$3,195, FIFO \$3,455, Average cost \$3,315
- P6-6B** (a) Gross profit: FIFO \$1,463, LIFO \$1,180
- P6-7B** (a) Inventory turnover ratio 8.7 (c) Current ratio 3.25:1
- P6-8B** (a) Ending inventory: LIFO \$680, FIFO \$760, Moving average \$721
- P6-9B** (a) Ending inventory: FIFO \$264, Average cost \$258, LIFO \$250
- CP** (b) Ending balances: Merchandise Inventory \$2,445, Cost of Goods Sold \$4,275
 (c) Adjusted trial balance totals \$41,225
 (d) Net income \$720, Total assets \$34,295
 (e) Ending inventory: FIFO \$2,445, LIFO \$1,875
- BYP 6-1** (b) Percentage decrease in inventories 10.2%
- BYP 6-2** (a) Tootsie Roll days in inventory: 67.6 days
- BYP 6-4** (d) 2007 Days in inventory: 86.9
- BYP 6-6** (a) Inventory turnover–2010: 7.5, Days in inventory–2009: 45.1
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Chapter 7

Exer.

No.

- 7-6** (a) Adj. cash bal. \$3,480.20.
- 7-7** Total \$1,985.
- 7-8** (a) Adj. cash bal. \$9,256.
- 7-9** (a) Adj. cash bal. \$18,865.
- 7-10** (a) \$2,050; (b) \$2,040.
 (c) \$1,700; (d) \$2,400.
- 7-11** Adj. cash bal. \$19,940.
- 7-12** (a) Total \$17,360.
- 7-14** End. cash bal. Jan. \$28,000.
- 7-15** Cash over and short \$1.30.
- 7-16** Cash over and short \$1.60.

- P7-3A** (a) Adjusted cash balance \$6,909
P7-4A (a) Adjusted cash balance \$13,094.90
P7-5A (a) Adjusted cash balance \$9,075.90
P7-6A (c) Borrowings \$2,700
P7-7A January expected collections from customers \$332,000,
January expected payments for purchases \$110,000,
January: total receipts \$347,000, total disbursements \$344,000
P7-8A (a) Adjusted cash balance \$21,032.72
P7-3B (a) Adjusted cash balance \$7,984.50
P7-4B (a) Adjusted cash balance \$14,449.20
P7-5B (a) Adjusted cash balance \$5,934.70
P7-6B (a) January borrowings \$29,000
P7-7B January expected collections from customers \$297,000,
January expected payments for purchases \$98,000,
January: total receipts \$299,000, total disbursements \$313,000
P7-8B (a) Adjusted cash balance \$14,697.21
CP (b) Ending balances: Cash \$23,690, Accounts Receivable \$5,100
(f) Adjusted trial balance totals \$89,425
(g) Net income \$1,325, Total assets \$72,550
BYP 7-2 (b) Cash as % of total assets – 2007: Tootsie Roll 7.1%
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Chapter 8

Exer.

No.

- 8-1** Sales discounts \$80.
8-2 Interest revenue \$3.
8-3 (e) Accounts Receivable \$230,000.
8-4 (b) \$7,500; (c) \$7,380.
8-5 (b) \$6,260.
8-6 Bad debts exp. \$9,100.
8-7 Interest revenue \$859.
8-8 Interest revenue 2010 \$180.
8-9 Net receivables \$4,356.
8-11 (a) Receivables turnover 9.4.
8-13 Service charge expense \$35,500.
8-15 Service charge expense \$210.
8-16 Service charge expense \$6.
8-17 Collections \$220,000.
- P8-1A** (a) Total estimated bad debts \$9,820
P8-2A (b) Balance in Accounts Receivable \$815,000
P8-3A (c) Bad Debts Expense \$37,800
P8-4A (c) Bad Debts Expense \$26,200
P8-5A (b) Bad Debts Expense \$12,300

- P8-8A** (c) Total receivables \$15,175
P8-9A (a) Nike: Average collection period 54.5 days
P8-1B (a) Total estimated bad debts \$15,220
P8-2B (b) Balance in Accounts Receivable \$1,418,000
P8-3B (c) Bad Debts Expense \$34,600
P8-4B (c) Bad Debts Expense \$30,000
P8-5B (c) Bad Debts Expense \$25,800
P8-8B (b) Total receivables \$14,868
P8-9B (a) Intel: Average collection period 34.1 days
CP (b) Adjusted trial balance totals \$70,320
(c) Net income \$2,142, Total assets \$45,240
BYP8-1 Receivables turnover ratio: 14.6, average collection period, 25 days
BYP 8-2 (a) (2) Hershey average collection period 37.2 days
BYP 8-4 (a) Receivables turnover ratio 7.9
BYP 8-7 (a) 2010: Total expenses as a percentage of net credit sales 3.8%
2010: Net expenses as a percentage of net sales 4.3%
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Chapter 9

Exer.

No.

- 9-3** (a) \$93,000.
9-5 2010 depreciation \$3,500.
9-6 (a) Building \$16,500; Warehouse \$6,227.
9-7 (b) \$7,000 gain.
(c) \$12,000 loss.
9-8 June 30 loss \$1,500.
9-10 (a) 1.51.
9-11 (a) Return on assets-with .09.
9-12 (a) Return on assets 5.7%.
9-13 Amort. Exp.-Patent \$9,000.
9-14 Amort. Exp.-Patent \$60,000;
Amort. Exp.-Franchise \$30,000.
9-17 Net income (15-year) \$108,000.
9-18 (a) \$.80 per mile.
(b) 2011 depr. expense \$41,600.
9-19 (a) 2011 depreciation \$20,625.
(b) Depreciation \$3,480.
- P9-1A** Land \$298,179
P9-2A (a) May 1 Gain on disposal \$10,000; (c) Total plant assets \$50,052,500
P9-3A June 30 Gain on disposal \$1,000
P9-4A (c) Total intangible assets \$313,700
P9-6A (a) Titus (1) Return on assets ratio 7.3%, (3) Asset turnover ratio .38 times
P9-7A (a) Machine 2 2009 \$17,000; (b) 2009 \$8,500

P9-8A (a) Straight-line depreciation expense \$60,000 (all years)
2011 double-declining-balance depreciation \$62,500
P9-1B Land \$282,400
P9-2B (a) May 1 Gain on disposal \$20,000; (c) Total plant assets \$60,177,500
P9-3B June 30 Gain on disposal \$2,000
P9-4B (c) Total intangible assets \$235,100
P9-6B (a) Riverton (1) Return on assets ratio 27%, (3) Asset turnover ratio .80 times
P9-7B (a) Bus 2 2009 \$67,500; (b) 2009 \$56,250
P9-8B (a) Straight-line depreciation expense \$60,000 (all years)
2011 double-declining-balance depreciation \$79,200
CP (a) 2. Gain on disposal \$750
(b) Trial balance totals \$1,213,150
(c) Net income \$58,000, Total assets \$258,700
BYP9-2 (a) Hershey (1) Return on assets ratio 5.1%, (3) Asset turnover ratio 1.18
BYP 9-4 2007 Gross profit rate 70.9%
BYP 9-7 (a) Return on assets–proposed without .135
Asset turnover–proposed with .50
BYP 9-9 (c) Income before income taxes increase \$155,000

Chapter 10

Exer.

No.

- 10-1** (c) \$840.
10-2 (a) \$15,000.
10-3 (d) \$1,800.
10-4 Sales taxes pay.-Darby \$780.
10-5 (a) Salaries payable \$44,410.
10-6 (b) 12 games.
10-7 (b) \$13,000.
(c) \$39,000.
10-8 (b) Interest expense \$16,000.
10-9 (b) Interest expense \$21,000.
10-11 (b) Interest expense \$32,000.
10-12 (a) Loss \$20,300.
(b) Gain \$17,400.
10-13 (b) Total long-term liab. \$10,258.7.
10-14 (a) (2) 1.21:1; (4) 13.03.
10-15 (b) 1.23.
10-16 (b) 1.50:1.
10-18 (b) Interest expense \$34,250.
10-19 (b) Interest expense \$25,000.
10-20 (b) Interest expense \$44,779.
10-21 (b) Interest expense \$28,987.

10-22 First install. interest \$13,200;
Second install. interest \$8,240.

P10-1A (c) Total current liabilities \$143,465

P10-2A (b) Balance in Notes Payable \$41,000; (d) Total interest expense \$850

P10-5A (b) Long-term liabilities \$5,886,000

P10-6A (a) 2006 Free cash flow (\$7); 2006 times interest earned 7.17

P10-7A (c) Loss on bond redemption \$18,300

P10-8A (c) Premium case: Total long-term liabilities \$2,054,000

P10-9A (d) (1) Long-term liabilities \$3,024,000

P10-10A (b) Bond carrying value \$1,706,287

P10-11A (b) Bond carrying value \$3,372,587

P10-12A (c) Total liabilities \$283,905

P10-13A (a) June 30, 2013 Balance \$27,351

P10-1B (c) Total current liabilities \$129,480

P10-2B (b) Balance in Notes Payable \$45,000; (d) Total interest expense \$900

P10-5B (b) Long-term liabilities \$5,142,500

P10-6B (a) 2007 Free cash flow \$18,103; 2007 Debt to total assets 77%

P10-7B (c) Gain on bond redemption \$144,000

P10-8B (c) Premium case: Total long-term liabilities \$2,545,000

P10-9B (d) (1) Long-term liabilities \$2,452,500

P10-10B (b) Bond carrying value \$2,194,737

P10-11B (b) Bond carrying value \$3,486,117

P10-12B (c) Total liabilities \$378,540

P10-13B (a) June 30, 2010 Balance \$86,503

CP (b) Trial balance totals \$646,995

(c) Net income \$61,705, Total assets \$249,700

BYP10-2 (a) Tootsie Roll: Current ratio 3.45:1

(b) Tootsie Roll: Debt to total assets 21.5%

BYP10-4 (a) Home Depot working capital \$2,076 (in millions), Current ratio 1.73:1

(b) Debt to total assets 35%, Times interest earned 72.7 times

BYP10-8 (a) 1. Gain on redemption \$446,000

BYP10-12 Total tax \$24,454

Chapter 11

Exer.

No.

11-1 (b) Total paid-in cap. in excess of stated value \$520,000.

11-3 (b) Paid-in capital in excess of par value \$240,000.

11-4 (a) 592,000; (c) \$100; (e) \$1,158,000.

11-6 (b) Dividends declared \$228,000.

11-7 Outstanding shares: after stock div. 85,050; After stock split 162,000.

11-8 Total stock. equity \$45,985.

11-9 Total stock. equity \$4,851,000.

11-10 Total stock. equity \$2,710,000.

11-11 2007 payout ratio 59.1%.

11-12 2007 payout ratio 16.0%.

11-13 (a) 2010 return 18.2%.

11-14 (b) Net income \$314,300.

11-15 (a) Earnings per share \$3.

11-16 (b) Stock Dividends dr. \$396,000.

P11-1A (b) Preferred Stock \$750,000, Paid-in Capital in Excess of Par Value - Preferred Stock \$66,000; (c) Total paid-in capital \$1,766,000

P11-2A (b) Common Stock \$1,025,000, Paid-in Capital in Excess of Stated Value - Common Stock \$485,000; (c) Total stockholders' equity \$2,622,500

P11-3A Total stockholders' equity \$23,464,000

P11-4A (a) Retained Earnings balance \$2,860,000

(b) Total stockholders' equity \$7,660,000

P11-5A (b) Total paid-in capital \$3,820,000, Total stockholders' equity \$3,847,000

P11-6A Total stockholders' equity \$3,455,000

P11-7A 2010 Return on assets 15.0%, 2010 Payout ratio 39.7%, 2010 Times interest earned 6.8

P11-8A (c) Total paid-in capital \$1,412,000, Total stockholders' equity \$2,231,600; (d) Payout ratio 22.1%, Return on common stockholders' equity 19.3%

P11-1B (b) Preferred Stock \$900,000, Paid-in Capital in Excess of Par Value - Preferred Stock \$26,000; (c) Total paid-in capital \$1,546,000

P11-2B (b) Common Stock \$1,020,000, Paid-in Capital in Excess of Stated Value - Common Stock \$1,440,000; (c) Total stockholders' equity \$4,593,200

P11-3B Total stockholders' equity \$4,086,000

P11-4B (a) Retained Earnings balance \$915,000; (b) Total stockholders' equity \$5,765,000

P11-5B Total paid-in capital \$5,458,000, Total stockholders' equity \$7,216,000

P11-6B Total stockholders' equity \$2,615,000

P11-7B (a) 2010 Return on assets 14.7%, 2010 Payout ratio 34.6%, 2010 Times interest earned 8.9

P11-8B (c) Total paid-in capital \$2,274,000, Total stockholders equity \$3,146,000; (d) Payout ratio 28.8%, Return on common stockholders' equity 16.8%

CP (b) Adjusted trial balance totals \$671,350

(c) Net income \$54,250, Total assets \$361,200

BYP 11-1 (d) Return on common stockholders' equity 8.1%

BYP 11-2 Hershey: Return on common stockholders' equity 33.6%

BYP 11-4 (b) Host Marriott: Debt to total assets ratio 81.4%

(c) Host Marriott: Return on assets ratio (.7%)

BYP 11-7 (a) 2006 Return on assets 3.4%; (b) 2006 Payout ratio 73.9%; (c) 2006 Times interest earned 3.8 times

Chapter 12

Exer.

No.

- 12-4** Net cash provided \$266,000.
- 12-5** Net cash provided \$178,000.
- 12-6** Net cash provided \$452,900.
- 12-7** Net cash provided \$108,000.
- 12-8** (a) Net cash provided \$129,000.
- 12-9** (a) PepsiCo. .75 times.
(b) Coca-Cola .46 times.
- 12-10** (a) Hoyt 2 times.
(b) Rex .4 times.
- 12-11** Net cash provided \$62,000.
- 12-12** (a) \$5,198.3; (b) \$10,300.2.
- 12-13** Net cash provided \$50,000.
- 12-14** Net cash provided \$94,600.
- 12-15** Rent \$33,100; Receipts from customers \$169,000.

- P12-2A** (a) Net income \$60,500
- P12-3A** Net cash provided by operating activities \$1,330,000
- P12-4A** Net cash provided by operating activities \$1,330,000
- P12-5A** Net cash provided by operating activities \$325,000
- P12-6A** Net cash provided by operating activities \$325,000
- P12-7A** Net cash provided by operating activities \$31,500, Net cash used by financing activities (\$22,000)
- P12-8A** Net cash provided by operating activities \$31,500, Net cash used by financing activities (\$22,000)
- P12-9A** Net cash provided by operating activities \$180,250, Net cash used by financing activities (\$25,350)
- P12-10A** Net cash provided by operating activities \$180,250, Net cash used by financing activities (\$25,350)
- P12-11A** Net cash provided by operating activities \$94,000, Net cash used by investing activities (\$62,000)
- P12-2B** (a) Cash proceeds \$8,000
- P12-3B** Net cash provided by operating activities \$1,375,000
- P12-4B** Net cash provided by operating activities \$1,375,000
- P12-5B** Net cash provided by operating activities \$101,000
- P12-6B** Net cash provided by operating activities \$101,000
- P12-7B** Net cash provided by operating activities \$5,000, Net cash used by financing activities (\$15,000)
- P12-8B** Net cash provided by operating activities \$5,000, Net cash used by financing activities (\$15,000)
- P12-9B** Net cash provided by operating activities \$95,800, Net cash provided by financing activities \$72,000
- P12-10B** Net cash provided by operating activities \$95,800, Net cash provided by financing activities \$72,000
- P12-11B** Net cash provided by operating activities \$38,290, Net cash provided by investing activities \$5,000

- BYP 12-2** (a) Hershey: 1. Current cash debt coverage ratio .51, 2. Cash debt coverage ratio .22
BYP 12-4 (a) Current ratio 1.31, Current cash debt coverage ratio (.13)
BYP 12-6 (b) Net cash provided by operating activities \$15,000
-

Chapter 13

Exer.

No.

- 13-1** Net income \$276,000.
13-2 (e) 73,884,892.
13-3 Total assets increase 15.0%.
13-4 Net income: 2009, 8.4%; 2010, 7.0%.
13-5 (a) Total assets increase 8.3%.
(b) Current assets 75.6%.
13-6 (a) Net income increase 64.0%.
(b) Net income-2010 6.8%.
13-7 Current cash debt .10; Receivables turnover 7.1; Inventory turnover 5.7.
13-8 Feb. 7, 2.25; Feb. 18, 2.29.
13-9 (b) 5.6; (d) 3.6; (f) .31.
13-10 (b) 1.66; (d) 13.2%.
13-11 (a) \$2.00; (c) 13.8%.
13-12 (a) \$836,000; (c) \$91,305.
- P13-1A** (a) Gray Company: Income from operations as a percent of sales 34.1%, Net income as a percent of sales 28.1%
P13-2A (a) Earnings per share \$3.58; (c) Return on assets 22.9%; (e) Receivables turnover 17.1 times (i) Times interest earned 13.0 times
P13-3A (a) 2010 Profit margin 10.8%, Price-earnings ratio 3.3 times, Debt to total assets 37%
P13-4A (a) 2010: Current ratio 1.76, Inventory turnover 3.5 times, Profit margin 5.7%, Earnings per share \$2.50
P13-5A (a) Target: Current ratio 1.32:1, Asset turnover 1.6, Times interest earned 8.9
P13-1B (a) Clark Company: Income from operations as a percent of sales 29.7%, Net income as a percent of sales 24.0%
P13-2B (a) Earnings per share \$10.46; (c) Return on assets 19.8%; (e) Receivables turnover 8.2 times; (i) Times interest earned 19.5 times
P13-3B (a) 2010 Profit margin 15.8%, Price-earnings ratio 0.7 times, Debt to total assets 36%
P13-4B (a) 2010: Current ratio 2.03:1, Inventory turnover 1.8 times, Profit margin 11.5%, Earnings per share \$1.15
P13-5B (a) Snap-on: Current ratio 1.86:1, Asset turnover 1.05, Times interest earned 6.9
BYP 13-1 (a) 2007 (1) Net sales trend 125% of base year; (b) (1) 2007 debt to total assets 21%
BYP 13-2 (a) Tootsie Roll: (1) Percentage decrease in sales (0.7%), (2) Percentage increase in total assets 2.7%
BYP13-4 (a) Coca-Cola: Current ratio .92:1, Receivables turnover 9.8 times; (b) Times interest earned 18.3 times; (c) Return on assets 16.3%
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Appendix C

Exer.

No.

- C-1** (b) \$10,755.16.
 - C-4** \$943,341.75
 - C-5** \$35,774.51.
 - C-8** (b) \$134,577.60.
 - C-11** \$415,186.40.
 - C-13** Present value of interest \$244,626.
 - C-15** Present value of interest \$19,416.10.
 - C-16** Present value of bonds \$2,837,429.
 - C-19** \$105,785.55.
 - C-21** 8 years.
 - C-23** 12 payments.
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Appendix D

Exer.

No.

- D-1** (a) Gain on sale \$1,300.
 - D-2** (a) Gain on sale \$1,900.
 - D-3** Gain on sale \$1,300.
 - D-4** (b) \$220,000.
 - D-5** (a) Unrealized gain \$60,000.
 - D-6** (a) Unrealized loss \$6,000.
 - D-7** (a) Unrealized loss \$6,000.
 - D-8** (a) Unrealized gain-income \$12,000.
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- PD-1** (c) Debt investments at fair value \$780,000
 - PD-2** (a) Stock Investments balance \$63,500
(c) Short-term investments, at fair value \$54,000
 - PD-3** (a) Stock Investments balance \$91,400
(c) Investment in stock of less than 20% owned companies, at fair value \$93,200
 - PD-4** (c) Revenue from investment in Sharp under equity method \$200,000
 - PD-5** (d) Investments in stock of less than 20% owned companies, at fair value \$153,800
 - PD-6** Total current assets \$487,000, Total assets \$2,710,000
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