Sales $30,400060

Gross Profit margin 80%

Operating Profit margin 35%

Net profit margin 8%

Return on Assets 16%

Return on Equity 20%

Total assets turnover 2

Average Collection Period 62.2 days

Calculate values for the following

a) Gross Profits

b) Cost of Goods sold

c) Operating profits

d) Operating expenses

e) Total Assets

f) Earnings available for common stockholders

g) Total common stock equity

h) Accounts Reservable

a) Gross Profits:

Gross Profit margin= Gross Profits/ Sales

.80= Gross Profits/$30,400,060

=24,320,048

b) Cost of Goods sold:

Sales- Cost of Goods sold= Gross Profits

30,400,060-COGS=24,320,048

=6,080,012

c-Operating profits:

Operating Profit margin= Operating profits/ Sales

.35= Operating profits/30,400,060

=10,640,021

d) Operating expenses:

Gross Profits- Operating expenses= Operating profits

24,320,048- Operating expenses=10,640,021

=13,680,027

e) Total Assets:

Total assets turnover= Sales/ Total Assets

2=30,400,060/ Total Assets

=15,200,030

f) Earnings available for common stockholders:

Return on Assets= Earnings available for common stockholders/ Total Assets

.16= Earnings available for common stockholders/15,200,030

=2,432,004.8

g) Total common stock equity:

Return on Equity= Earnings available for common stockholders/ Total common stock equity

.20=2,432,004.8/ Total common stock equity

=12,160,024

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h) Accounts Reservable

Average Collection Period: accounts reservable/Average sales per day

Average sales per day: sales /365

30,400,060/365=3,287.83562

62.2= accounts reservable/3,287.83562

=5,180,503.375

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