**Math: -1.** Rondo Corporation’s comparative balance sheets are presented below.

|  |  |  |
| --- | --- | --- |
| RONDO CORPORATION Balance Sheets December 31 | | |
|  | **2021** | **2020** |
| Cash | $5,300 | $3,700 |
| Accounts Receivable | 21,200 | 23,400 |
| Inventory | 9,000 | 7,000 |
| Land | 20,000 | 26,000 |
| Building | 70,000 | 70,000 |
| Accumulation depreciation--Building | (15,000) | (10,000) |
| **Total** | **$110,500** | **$120,100** |
| Accounts Payable | $10,370 | $31,100 |
| Common stock | 75,000 | 69,000 |
| Retained earnings | 25,100 | 20,000 |
| **Total** | **$110,500** | **$120,100** |

Rondo’s 2021 income statement included net sales of $120,000, cost of goods sold of $70,000 and net income of $14,000.

**Instructions**

Compute the following ratio for 2021.

1. Current ratio.
2. Acid-test ratio
3. Accounts receivable turnover.
4. Inventory turnover
5. Profit margin
6. Asset turnover
7. Return on assets
8. Return on common stockholder’s equity
9. Debt to assets ratio.

**Math: -2**

|  |  |  |
| --- | --- | --- |
| RONDO CORPORATION Balance Sheets December 31 | | |
|  | **2021** | **2020** |
| Cash | $5,300 | $3,700 |
| Accounts Receivable | 21,200 | 23,400 |
| Inventory | 9,000 | 7,000 |
| Land | 20,000 | 26,000 |
| Building | 70,000 | 70,000 |
| Accumulation depreciation--Building | (15,000) | (10,000) |
| **Total** | **$110,500** | **$120,100** |
| Accounts Payable | $10,370 | $31,100 |
| Common stock | 75,000 | 69,000 |
| Retained earnings | 25,100 | 20,000 |
| **Total** | **$110,500** | **$120,100** |
| Rondo’s 2021 income statement included net sales of $120,000, cost of goods sold of $70,000 and net income of $14,000. | | |

**Instructions:** Compute the following ratio for 2021.

a) Current ratio, b) Inventory turnover, c) Profit margin, d) Asset turnover, e) Return on assets, f) Return on common stockholder’s equity, g) Debt to assets ratio.

|  |  |  |
| --- | --- | --- |
| FRIZZELL COMPANY Balance Sheet December 31 | | |
|  | 2018 | 2017 |
| Cash | $15,000 | $30,000 |
| Accounts Receivable | 70,000 | 60,000 |
| Inventory | 60,000 | 50,000 |
| Plant assets(net) | 200000 | 180,000 |
| **Total Assets** | $345,000 | $320,000 |
| Accounts payable | 50,000 | 60,000 |
| Mortgage payable | 100,000 | 100,000 |
| Common stock $10 par | 140,000 | 120,000 |
| Retained earnings | 55,000 | 40,000 |
| **Total liabilities & Stockholder equity** | $345,000 | $320,000 |

**Math: - 3.** Frizzell Company has the following comparative balance data.

Additional Information for 2017:

1. Net income was $ 25,000
2. Sales on account were $ 410,000. Sales returns and allowances were $20,000
3. Cost of goods sold was $198,000.

**Instructions**

1. Current ratio.
2. Acid-test ratio
3. Accounts receivable turnover.
4. Inventory turnover
5. Profit margin
6. Asset turnover
7. Return on assets
8. Return on common stockholder’s equity
9. Debt to assets ratio.
10. Earnings per share