

## Business Sectors and Operating Cycles Exercise II

In the table below, each asset, liability, and net worth account is a percentage of total assets and each income account is a percentage of net sales.

Business	A	B	C	D	E
<i>Percent of Balance Sheet or Income Statement</i>					
<b>Assets</b>					
Accounts receivable	39	42	3	29	19
Inventory	28	4	76	27	47
Net fixed assets	16	24	11	27	15
<b>Liabilities</b>					
Notes payable (short-term debt)	20	12	46	7	7
Current maturities of long-term debt	3	4	3	4	4
Accounts payable	27	12	8	23	25
Total current liabilities	59	44	66	42	45
Long-term debt	6	14	9	14	15
Total liabilities	70	62	77	61	63
Net worth	30	38	23	39	37
<b>Income Statement</b>					
Net sales	100	100	100	100	100
Gross profit	14	100	20	31	29
Operating expenses	12	97	17	27	26
Operating profit	2	4	3	4	3
Profit before taxes	1	3	2	4	2

### Instructions:

Identify which of the businesses in the table above is a manufacturer of mattresses, wholesaler of fish, retailer of cars, cleaning and maintenance business, or retail drug store with a tie up with a health insurance company. Give reasons for your answer.