**Solution:**

(1)

The inventory turnover is given by the formula:

Given the sales is $2,500,000 with profit $1,320,000, the cost of goods sold is $1,180,000. And the average inventory is given to be $1,000,000. Thus, the inventory turnover is:

(2)

The inventory turnover becomes 1.5 times if the reduction is applied. Since the average inventory remains unchanged, we get the cost of goods sold as:

The sale prices are reduced by 10%, meaning that the sales will be given by 90% of $2,500,000 = $2,250,000.

Thus, the gross profit will be given by:

The new gross profit percentage will be:

In 2014, under the old scheme, the profit percentage was:

The profit percentage has decreased considerably under the new scheme.

This suggest that Anne Scott should not implement this method as it has led to strongly reduced earnings.