**Solution:**

The comparison is done in a table as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| COMPARISON OF VALUES  On the top: Gross Profit Percentage  Below (in bracket): Inventory Turnover | | | |
| Year  Company | 1995 | 2003 | 2011 |
| JCPenney | 31.45%  (3.76) | 30.22%  (4.57) | 36.02%  (3.60) |
| Sears/Kmart | 23.61%  (3.55) | 14.64%  (4.94) | 25.50%  (3.57) |

An interesting trend that can be seen is that the increase in inventory turnover often implies a decrease in the gross profit percentage. Based on the data above, we can try to guess that the JCPenney Company appears to perform better as it maintains a higher gross profit percentage and lower inventory turnover almost always.

Their ratios indicate a significant change. The Sears/Kmart was appearing to be good till 1995 and in 2003, the ratios seems to have reversed. However, in 2011 it seems they have become once again close enough.