

E5-5. Preparing a Classified Balance Sheet

Campbell Soup Company is the world's leading maker and marketer of soup and sells other well-known brands of food in 160 countries. Presented here are the items listed on a simplified version of its recent balance sheet (dollars in millions) presented in alphabetical order:

Accounts payable	\$1,049	Other assets	\$283
Accounts receivable	575	Other current assets	80
Accrued expenses	693	Other current debt	1,333
Cash and cash equivalents	859	Other noncurrent liabilities	6,728
Common stock, \$0.0375 par value	406	Property, plant, and equipment, net	2,368
Intangible assets	7,336	Retained earnings	2,163
Inventories	871		

Required:

Prepare a classified consolidated balance sheet for Campbell Soup for the current year (ended July 31) using the categories presented in the chapter.

Assets

[illegible]

Liabilities and Stockholders' Equity

\$

E5-8. Preparing a Classified (Multiple-Step) Income Statement and Computing the Gross Profit Percentage

The following data were taken from the records of Township Corporation at December 31 of the current year:

Sales revenue	\$85,000
Gross profit	30,000
Selling (distribution) expense	7,000
Administrative expense	?
Pretax income	13,000
Income tax rate	35%
Shares of stock outstanding	2,500

Required:

Prepare a complete classified (multiple-step) income statement for the company (showing both gross profit and income from operations). Show all computations. (Hint: Set up the side captions or rows starting with sales revenue and ending with earnings per share; rely on the amounts and percentages given to infer missing values.) What is the gross profit percentage?

This image shows a blank sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

E5-17. Analyzing and Interpreting Return on Assets

The TJX Companies, Inc., which operates the T.J. Maxx, Marshalls, and HomeGoods chains, is the leading off-price apparel and home fashions retailer in the United States and worldwide. Presented here are selected recent income statement and balance sheet amounts (dollars in thousands).

	Current Year	Prior Year
Net sales	\$38,972,934	\$35,864,664
Net income	3,059,798	2,607,948
Average shareholders' equity	5,098,458	4,829,454
Average total assets	14,192,022	13,470,912

Required:

1. Compute ROA for the current and prior years and explain the meaning of the change.
2. Explain the major cause(s) of the change in ROA using ROA profit driver analysis.