

E5-6.

Req. 1.

**Snyder's-Lance
Consolidated Balance Sheet
December 31, Current Year
(in millions)**

Assets

Current assets	
Cash and cash equivalents	\$ 35,409
Accounts receivable, net	210,723
Inventories	173,456
Prepaid expenses and other	33,410
Other current assets	<u>138,859</u>
Total current assets	591,857
Property, plant, and equipment, net	501,884
Goodwill	1,318,362
Other intangible assets, net	1,373,800
Other assets	<u>48,173</u>
Total assets	<u><u>\$3,834,076</u></u>

Liabilities and Stockholders' Equity

Current liabilities	
Accounts payable	\$ 99,249
Accrued compensation	44,901
Other payables and accrued liabilities	102,403
Short-term debt	<u>49,000</u>
Total current liabilities	295,553
Long-term debt	1,245,959
Other long-term liabilities	<u>416,894</u>
Total liabilities	<u>1,958,406</u>
Stockholders' equity	
Common stock, 67,820,798 shares outstanding	80,199
Additional paid-in capital	1,598,678
Retained earnings	<u>196,793</u>
Total stockholders' equity	<u>1,875,670</u>
Total liabilities and stockholders' equity	<u><u>\$3,834,076</u></u>

Req. 2.

In each case, the term “net” means that the account is reported after the balance in the related contra account has been subtracted. Accounts receivable, net means that the allowance for doubtful accounts contra account has been subtracted. Other intangible assets, net means that the accumulated amortization contra account has been subtracted. Property, plant and equipment, net means that the accumulated depreciation contra account has been subtracted.

E5-7.

Macy’s, Inc.
Consolidated Statement of Income
For the Year Ended February 1, Current Year
(in millions)

Net sales	\$25,778
Cost of sales	15,621
Gross margin	10,157
Selling, general, and administrative expenses	8,265
Other operating expenses	577
Operating income	1,315
Interest expense	(367)
Interest income	4
Income before income taxes	952
Federal, state, and local income tax expense	341
Net income	\$ 611

E5-9.

Req. 1.

Tableau Software
Consolidated Statement of Income
For Year Ended December 31, Current Year
(In thousands, except per share amounts)

Net revenues		
License revenue	\$429,204	
Maintenance and services revenue	<u>447,855</u>	
Total net revenue		\$877,059
Cost of sales:		
Cost of licenses	13,534	
Cost of maintenance and services	<u>100,025</u>	
Total cost of revenues		<u>113,559</u>
Gross profit		\$763,500
Operating expenses:		
General and administrative expense	102,871	
Research and development expense	334,148	
Sales and marketing expense	<u>517,446</u>	
Total operating expenses		<u>954,465</u>
Operating loss		(\$190,965)
Other income, net		<u>12,266</u>
Loss before income taxes		(\$178,699)
Income tax expense		<u>6,861</u>
Net loss		<u>(\$185,560)</u>
Net earnings per share		(\$2.35)
Weighted average shares outstanding		78,869

Req. 2.

License revenue: \$429,204 – \$13,534 = \$415,670

E5-18.

Req. 1.

	Current Year		Prior Year	
<u>Net Income (given)</u>	<u>\$59,387</u>	=	<u>\$55,425</u>	=
Average Total Assets (given)	0.147 \$403,162		0.141 \$394,143	

The increase in ROA from 0.141 in the prior year to 0.147 in the current year means that the firm earned \$0.006 more for each \$1 of investment.

Req. 2.

Security analysts would be more likely to *increase* their estimates of share value on the basis of this change. The company increased its earnings by \$0.006 for each \$1 of investment and, hence, increased the corresponding value of that investment.

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- a. Notes payable (long-term) (–L) 2,000
 Cash (–A) 2,000
- b. Rent expense (+E, –SE) 100
 Cash (–A) 100

Transaction	Net Profit Margin	Return on Assets	Current Ratio
<i>a.</i>	NE	+	–
<i>b.</i>	–	–	–