

Name:

B-16.04

Date:

Section:

(a) Sales

Cost of goods sold

Gross profit

Selling, general & administrative

Net income

(b)

$$\begin{aligned} & \text{Return on Assets Ratio} \\ & = \\ & \frac{(\text{Net Income} + \text{Interest Expense})}{\text{Average Assets}} \\ & = \end{aligned}$$

$$\begin{aligned} & \text{Return on Equity Ratio} \\ & = \\ & \frac{(\text{Net Income} - \text{Preferred Dividends})}{\text{Average Common Equity}} \\ & = \end{aligned}$$