Purchases	Available	for Sale	Cost of Good	s Sold	Ending In	ventory
	\$	-	\$	-	\$	-
		-		-		-
		-		-		-
		-		-		-
		-		-		-
			\$	_	\$	_
Gross Profit Rate						
Sales (16,000 X \$5,000)					\$	-
Cost of goods sold						-
Gross profit					\$	_
Inventory Turnover						
Cost of goods sold					\$	-
÷ Ending inventory (substitute	ed for averag	e inventor	y)		÷	-
Turnover rate						
Current Ratio						
Current assets					\$	-
÷ Current liabilities					÷	-
Current ratio						

## (a)

First Team Member -- Assuming FIFO, identify if the lender conditions are anticipated to be met.

<u>Second Team Member</u> -- Obtain the first team member's results. If all lender conditions were not met, determine if a change in planned 4th quarter purchases would allow all conditions to be met.

Purchases	Available	Available for Sale		Cost of Goods Sold		Ending Inventory	
	\$	-	\$	-	\$	-	
		-		-		-	
		-		-		-	
		-		-		-	
		-		_		-	
			\$	_	<u>\$</u>		
Gross Profit Rate							
Sales (16,000 X \$5,000)					\$	-	
Cost of goods sold						-	
Gross profit					\$	_	
Inventory Turnover							
Cost of goods sold					\$	-	
÷ Ending inventory (substite	uted for avera	ge inventor	y)		÷	-	
Turnover rate							
Current Ratio							
Current assets					\$	-	
÷ Current liabilities					÷	-	
Current ratio							

(b)

Purchases	Availabl	Available for Sale		Cost of Goods Sold		Ending Inventory	
	\$	-	\$	-	\$	-	
		-		-		-	
		-		-		-	
		-		-		-	
		-	<u>\$</u>		\$	-	
Gross Profit Rate							
Sales (16,000 X \$5,000)					\$	-	
Cost of goods sold						_	
Gross profit					<u>\$</u>		
Inventory Turnover							

Third Team Member -- Assuming LIFO, identify if the lender conditions are anticipated to be met.

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\$

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\$

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Cost of goods sold

Turnover rate

Current assets

Current ratio

÷ Current liabilities

Current Ratio

÷ Ending inventory (substituted for average inventory)

<u>Fourth Team Member</u> -- Obtain the third team member's results. If all lender conditions were not met, determine if a change in planned 4th quarter purchases would allow all conditions to be met.

Purchases	Purchases Available for Sale		Cost of Goo	Cost of Goods Sold		Ending Inventory	
	\$	-	\$	-	\$	-	
		-		-		-	
		-		-		-	
		-		-		-	
		-		_		_	
			\$	_	\$	_	
Gross Profit Rate							
Sales (16,000 X \$5,000)					\$	-	
Cost of goods sold						-	
Gross profit					<u>\$</u>		
Inventory Turnover							
Cost of goods sold					\$	-	
÷ Ending inventory (substitu	ted for avera	ge inventor	ry)		÷	-	
Turnover rate							
Current Ratio							
Current assets					\$	-	
÷ Current liabilities					÷	-	
Current ratio							

## (d)

<u>Fifth Team Member</u> -- Assuming the weighted-average inventory method, identify if the lender conditions are anticipated to be met.

Purchases	Available for Sale		
	\$	-	
		-	
		-	
		_	
	\$	_	

5 -
-
<del>;</del> -
5 -
÷ -
5 -
÷ -

(e)

Current ratio

<u>Sixth Team Member</u> -- Obtain the fifth team member's results. If all lender conditions were not met, determine if a change in planned 4th quarter purchases would allow all conditions to be met.

Purchases	Available	Available for Sale		
	\$	-		
		-		
		-		
		-		
		_		
	\$	_		

## Gross Profit Rate

Sales (16,000 X \$5,000)	\$	-
Cost of goods sold		_
Gross profit	\$	_
Inventory Turnover		
Cost of goods sold	\$	-
$\div$ Ending inventory (substituted for average inventory)	÷	-
Turnover rate		
Current Ratio		
	*	
Current assets	\$	-
÷ Current liabilities	÷	-
Current ratio		

(g)