

(a)

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

Purchases	Available for Sale	Cost of Goods Sold	Ending Inventory
	\$ -	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
	-	-	-
		<u>-</u>	<u>-</u>
		<u>\$ -</u>	<u>\$ -</u>

Gross Profit Rate

Sales (16,000 X \$5,000)	\$ -
Cost of goods sold	<u>-</u>
Gross profit	<u>\$ -</u>

Inventory Turnover

Cost of goods sold	\$ -
÷ Ending inventory (substituted for average inventory)	÷ -
Turnover rate	

Current Ratio

Current assets	\$ -
÷ Current liabilities	÷ -
Current ratio	

(b)

Second Team Member -- 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 for Sale	Cost of Goods Sold	Ending Inventory
	\$ -	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
	-	-	-
		<u>-</u>	<u>-</u>
		<u>\$ -</u>	<u>\$ -</u>

Gross Profit Rate

Sales (16,000 X \$5,000)	\$ -
Cost of goods sold	<u>-</u>
Gross profit	<u>\$ -</u>

Inventory Turnover

Cost of goods sold	\$ -
÷ Ending inventory (substituted for average inventory)	÷ -
Turnover rate	

Current Ratio

Current assets	\$ -
÷ Current liabilities	÷ -
Current ratio	

(c)

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

Purchases	Available for Sale	Cost of Goods Sold	Ending Inventory
	\$ -	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
	-	-	-
		<u>-</u>	<u>-</u>
		<u>\$ -</u>	<u>\$ -</u>

Gross Profit Rate

Sales (16,000 X \$5,000)	\$ -
Cost of goods sold	<u>-</u>
Gross profit	<u>\$ -</u>

Inventory Turnover

Cost of goods sold	\$ -
÷ Ending inventory (substituted for average inventory)	÷ -
Turnover rate	

Current Ratio

Current assets	\$ -
÷ Current liabilities	÷ -
Current ratio	

(d)

Fourth Team Member -- 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	Available for Sale	Cost of Goods Sold	Ending Inventory
	\$ -	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
	-	-	-
		<u>-</u>	<u>-</u>
		<u>\$ -</u>	<u>\$ -</u>

Gross Profit Rate

Sales (16,000 X \$5,000)	\$ -
Cost of goods sold	<u>-</u>
Gross profit	<u>\$ -</u>

Inventory Turnover

Cost of goods sold	\$ -
÷ Ending inventory (substituted for average inventory)	÷ -
Turnover rate	

Current Ratio

Current assets	\$ -
÷ Current liabilities	÷ -
Current ratio	

(e)

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

Purchases	Available for Sale
	\$ -
	-
	-
	-
	<hr/>
	\$ -
	<hr/> <hr/>

Gross Profit Rate

Sales (16,000 X \$5,000)	\$ -
Cost of goods sold	<hr/> -
Gross profit	<hr/> <hr/> \$ -

Inventory Turnover

Cost of goods sold	\$ -
÷ Ending inventory (substituted for average inventory)	÷ -
Turnover rate	

Current Ratio

Current assets	\$ -
÷ Current liabilities	÷ -
Current ratio	

(f)

Sixth Team Member -- 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 for Sale
	\$ -
	-
	-
	-
	-
	-
	-
	<u>-</u>
	<u>\$ -</u>

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 (substituted for average inventory)	÷ -
Turnover rate	

Current Ratio

Current assets	\$ -
÷ Current liabilities	÷ -
Current ratio	

(g)