

Final Exam Supplement #1

For questions 1 to 3

Pfizer - Year End 12/31/2020

Balance Sheet Data	balances
Current Assets	\$ 35,067
Non current Assets	119,162
Total Assets	154,229

Current Liabilities	25,920
Non current Liabilities	64,836
Total Liabilities	90,756

Stock and Paid in Capital	89,144
Treasury Stock	(110,988)
Retained Earnings	85,317
Total Shareholders Equity	63,473

Total Liabilities and Equity	154,229
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Income Statement Data (random order)	totals
Revenue	\$ 41,908
EBITDA	17,891
Interest Expense	1,485
Income Tax Expense	1,977
Sales, General and Admin. Expense	15,325
Cost of Revenue	8,692
Depreciation Expense	4,777

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Final Exam Supplement #2

For questions 13 to 15

Financial Data - Jackson LLC
Year Ended December 31, 2020

Accounts payable	25,000
Treasury stock	(8,000)
Interest expense	14,000
Retained earnings	167,000
Cash and cash equivalents	45,000
Interest payable	3,000
Short-term debt	19,000
Depreciation and amortization expense	29,000
Receivables	34,000
Income tax expense	11,000
Unearned revenue	18,000
Additional paid-in capital	81,000
Cost of revenue	182,000
Inventories	68,000
Common stock	10,000
Intangible assets	23,000
Long-term debt	240,000
Property, plant and equipment	317,000
Sales, general and administrative expense	108,000
Accumulated Depreciation	(58,000)
Other long-term liabilities	32,000
Revenue	370,000
Prepaid assets	6,000
Land	152,000

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Final Exam Supplement #3

For questions 20 to 23

The Ramsey Company is considering an investment of \$1,500,000 with the following projected cash flows. Also, the company uses a 12% discount rate in evaluating investments of this risk level.

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	\$ 1,110,000	\$ 1,198,800	\$ 1,294,704	\$ 1,398,280	\$ 1,510,143
Cost of Revenue	488,400	527,472	569,670	615,243	664,463
Gross Margin	621,600	671,328	725,034	783,037	845,680
SG&A	105,000	109,200	113,568	134,984	140,383
EBITDA	516,600	562,128	611,466	648,053	705,297
Depreciation	30,000	30,000	30,000	30,000	30,000
EBIT	486,600	532,128	581,466	618,053	675,297
Interest	40,000	39,000	37,800	36,600	35,400
Taxable Income	446,600	493,128	543,666	581,453	639,897
Taxes (30%)	133,980	147,938	163,100		
Net Income	312,620	345,190	380,566		
Operating Cash Flow	382,620	414,190	448,366		

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Final Exam Supplement #4

For questions 37 and 38

Use the following schedule to calculate the cash flow for the Williams Company and answer the two related questions (#37 and #38). The bank requires the company to keep a \$40,000 minimum balance.

	January	February	March
Beginning cash balance	\$ 40,000.00		
Cash receipts			
Cash collections from credit sales	115,000.00	118,000.00	114,000.00
Total cash available			
Cash disbursements			
Purchases	\$ 64,000.00	\$ 70,000.00	\$ 71,000.00
Wages, taxes, and expenses	37,000.00	41,000.00	39,000.00
Interest on LT Debt	12,000.00	11,000.00	10,000.00
Total cash disbursements	\$ 113,000.00	\$ 122,000.00	\$ 120,000.00
Ending cash balance (before credit line activity)			

Final Exam Supplement #5

For questions 47 and 48

Internal Growth Rate (IGR)

ROA	Return on Assets = Net Income / Total Assets
DPR	Dividend Payout Ratio = Dividends / Net Income
b	Retention Ratio = 1 - Dividend Payout Ratio
IGR	Numerator = ROA x b Denominator = 1 - (ROA x b)

Sustainable Growth Rate (SGR)

ROE	Return on Equity = Net Income / Total Equity
DPR	Dividend Payout Ratio = Dividends / Net Income
b	Retention Ratio = 1 - Dividend Payout Ratio
SGR	Numerator = ROE x b Denominator = 1 - (ROE x b)

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