

Problem 1-10A

Determining expenses,
liabilities, equity, and
return on assets

A1 A2



Kyzera manufactures, markets, and sells cellular telephones. The average total assets for Kyzera is \$250,000. In its most recent year, Kyzera reported net income of \$65,000 on revenues of \$475,000.

Required

1. What is Kyzera's return on assets?
2. Does return on assets seem satisfactory for Kyzera given that its competitors average a 12% return on assets?
3. What are total expenses for Kyzera in its most recent year?
4. What is the average total amount of liabilities plus equity for Kyzera?

Check (3) \$410,000

(4) \$250,000