BALANCE SHEET
A snapshot at a point in time

USES OF RESOURCES !!

Assets of "Firm", in m$	2018	2017
Current assets		
Cash	21.2	19.5
Accounts receivable	18.5	13.2
Inventories	15.3	14.3
Other current assets	2.0	1.0
Total current assets	**57.0**	**48.0**
Long-term assets		
Land	22.2	20.7
Buildings	56.5	50.5
Equipment	49.7	43.2
Accumulated depreciation	18.7	17.5
Net property, plant, and equipment	*109.7*	*96.9*
Goodwill and intangible assets	20.0	20.0
Other long-term assets	21.0	14.0
Total long-term assets	**150.7**	**130.9**
Total assets	**207.7**	**178.9**

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RESOURCES !!

Liabilities of "firm", in m$	2018	2017
Current liabilities		
Accounts payable	29.2	24.5
Short term debt	3.5	3.2
Current maturities of long-term debt	13.3	12.3
Other current liabilities	2.0	4.0
Total current liabilities	**48.0**	**44.0**
Long term liabilities		
Long-term debt	99.9	76.3
Capital lease obligations	7.6	7.4
Total long-term liabilities	**107.5**	**83.7**
Total liabilities	**155.5**	**127.7**
Stockholders' equity	**52.2**	**51.2**
Total resources	**207.7**	**178.9**

Exercise : WCR computing

- The company achieved 186.7 million $ Sales and 10.4 million $ EBIT. VAT 20%
- Given the data provided in the balance sheet, **Compute the WCR ratios in 2018 :**
  - the WCR days

  WCR / Sales x 360
  - The DIO => days inventories ratio

  Inventories / sales x 360
  - The DSO => days sales ratio

  A/R / (sales+VAT) x 360
  - The DPO => days payables ratio

  A/P / (sales + VAT) x 360

Exercise : WCR computing

- **Solution**
- The company achieved 186.7 million $ Sales and 10.4 million $ EBIT.
- Given the data provided in the balance sheet, Compute :
  - the WCR days in 2018

WCR / Sales x 360 = 4.6 / 186.7 x 360 = 9 days

  - The DIO => days inventories ratio

Inventories / sales x 360 = 15.3 / 186.7 x 360 = 30 days

  - The DSO => days sales ratio

A/R / (sales+VAT) x 360 = 18.6 / (186.7 x (1+20%)) x 360 = 30 days

  - The DPO => days payables ratio

A/P / (sales + VAT) x 360 = 29.2 /(186.7x(1+20%)) x 360 = 47 days