**CU1M3 – Ratio Analysis**

1. Use the information on the sample financial statements for West Coast Craft Beer to calculate (show your work, including the formula you are using) the following:
2. Current ratio:
3. Quick ratio:
4. Inventory turnover ratio:
5. Gross profit margin:
6. Accounts receivable days:

*(For this problem, assume all sales listed on the financial statements are on account.)*

1. Go to <https://retailowner.com/benchmarks> . Scroll down to the Food & Beverage Stores section and select “Beer, Wine & Liquor Stores”, record the 2015 industry benchmark for:
2. Current ratio:
3. Inventory turnover ratio:
4. Gross profit margin:

*(Listed on the website as “gross profit”)*

1. How do the ratios of West Coast Craft Beer compare to the industry averages?
2. Find the 2015 industry averages indicated below.

**Baked Goods Stores: Drinking Places: Alcoholic Beverages**

Current ratio: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Inventory turnover ratio: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Gross Profit Margin:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_