Solution to January 13 homework

1.  
   Sales $2,500  
   - Cost of goods sold -1,800  
   - miscellaneous expenses -200  
   - depreciation -150  
   Operating profit (EBIT) $350  
   - interest expense -50  
   Taxable income $300  
   - taxes (35%) -105  
   Net income $195

2.  
   Current assets – current liabilities = $225 - $105 = $120