Finance 331 Homework  
Due Tuesday, January 20, 2004

1. Haselden Fried Chicken Company has a debt-equity ratio of 1.10. Return on assets is 8.4% and total equity is $440,000. What is the equity multiplier? Return on equity? Net income?

2. Tommy Badfinger, Inc.’s net income for the most recent year was $8,175. The tax rate was 34 percent. The firm paid $2,380 in total interest expense and deducted $1,560 in depreciation expense. What was Tommy Badfinger’s cash coverage ratio for the year?