

1. value:
10.00 points

Presented here are summarized data from the balance sheets and income statements of Wiper, Inc.:

WIPER, INC. Condensed Balance Sheets December 31, 2017, 2016, 2015 (in millions)			
	2017	2016	2015
Current assets	\$ 685	\$ 917	\$ 773
Other assets	2,417	1,924	1,723
Total assets	\$3,102	\$2,841	\$2,496
Current liabilities	\$ 581	\$ 816	\$ 714
Long-term liabilities	1,510	995	860
Stockholders' equity	1,011	1,030	922
Total liabilities and stockholders' equity	\$3,102	\$2,841	\$2,496

WIPER, INC. Selected Income Statement and Other Data For the year Ended December 31, 2017 and 2016 (in millions)		
	2017	2016
Income statement data:		
Sales	\$3,054	\$2,917
Operating income	300	314
Interest expense	88	69
Net income	203	198
Other data:		
Average number of common shares outstanding	41.7	47.1
Total dividends paid	\$ 54.0	\$ 52.7

Required:

a. Calculate return on investment, based on net income and average total assets, for 2017 and 2016. **(Do not round intermediate calculations. Round your answers to 1 decimal place.)**

	2017	2016
Return on investment	6.5 %	7.0 %

b. Calculate return on equity for 2017 and 2016. **(Round your answers to 1 decimal place.)**

	2017	2016
Return on equity	19.9 %	20.3 %

c. Calculate working capital and the current ratio for each of the past three years. **(Enter your answers in millions (i.e., 5,000,000 should be entered as 5). Round "Current ratio" to 1 decimal place.)**

	2017	2016	2015
Working capital	\$ 104	\$ 101	\$ 59
Current ratio	1.2	1.1	1.1

d. Calculate earnings per share for 2017 and 2016. **(Round your answers to 2 decimal places.)**

	2017	2016
Earnings per share	\$ 4.87	\$ 4.20

e. If Wiper's stock had a price/earnings ratio of 11 at the end of 2017, what was the market price of the stock? **(Do not round intermediate calculations. Round your answer to 2 decimal places.)**

Market price

f. Calculate the cash dividend per share for 2017 and the dividend yield based on the market price calculated in part e. **(Do not round intermediate calculations. Round your answers to 2 decimal places.)**

Cash dividends per share	<input type="text"/>	<input type="text"/>
Dividend yield	<input type="text"/>	%

g. Calculate the dividend payout ratio for 2017. **(Do not round intermediate calculations.)**

Dividend payout ratio %

h. Assume that accounts receivable at December 31, 2017, totaled \$313 million. Calculate the number of days' sales in receivables at that date. **(Use 365 days a year. Do not round intermediate calculations.)**

Number of days' sales days

i. Calculate Wiper's debt ratio and debt/equity ratio at December 31, 2017 and 2016. **(Round "Debt ratio" to 1 decimal place and "Debt/equity ratio" to the nearest whole percent.)**

	2017	2016
Debt ratio	<input type="text"/> %	<input type="text"/> %
Debt/equity ratio	<input type="text"/> %	<input type="text"/> %

j. Calculate the times interest earned ratio for 2017 and 2016. **(Round your answers to 1 decimal place.)**

	2017	2016
Times interest earned	<input type="text"/> times	<input type="text"/> times

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[References](#)

Worksheet

Difficulty: 2 Medium

[Check my work](#)

