

(12-4) *Maggie's Muffins, Inc., generated \$5,000,000 in sales during 2013, and its year-end total assets were \$2,500,000. Also, at year-end 2013, current liabilities were \$1,000,000, consisting of \$300,000 of notes payable, \$500,000 of accounts payable, and \$200,000 of accruals. Looking ahead to 2014, the company estimates that its assets must increase at the same rate as sales, its spontaneous liabilities will increase at the same rate as sales, its profit margin will be 7%, and its payout ratio will be 80%. How large a sales increase can the company achieve without having to raise funds externally—that is, what is its self-supporting growth rate?*