

Ratio	Barry	Industry Average
ROA	—	3.6%
ROE	—	9.0%
ROIC	—	7.5%
TIE	—	3.0×
Debt/Total capital	—	47.0%

ANALYSIS A firm has been experiencing low profitability in recent years. Perform an analysis of the firm's financial position using the DuPont equation. The firm has net income of \$1 million and total assets of \$10 million. The firm has 100,000 shares of common stock outstanding. The firm has a \$2 million sinking fund payment on its debt. The most recent financial statement ratios and the firm's financial statements are as follows:

Industry Average Ratios

3x	Fixed assets turnover
20%	Total assets turnover
—	Net income margin