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*Exercise 18-5

Suppose **Nordstrom, Inc.**, which operates department stores in numerous states, has the following selected financial statement data for the year ending January 30, 2014.

NORDSTORM, INC. Balance Sheet (partial)		
(in millions)	End-of-Year	Beginning-of-Year
Cash and cash equivalents	\$ 1,272	\$ 115
Accounts receivable (net)	3,256	3,107
Inventory	1,437	1,440
Prepaid expenses	141	149
Other current assets	381	336
Total current assets	<u><u>\$6,487</u></u>	<u><u>\$5,147</u></u>
Total current liabilities	<u><u>\$3,222</u></u>	<u><u>\$2,562</u></u>

For the year, net sales were \$13,213 and cost of goods sold was \$8,525 (in millions).

(a)

Compute the four liquidity ratios at the end of the year. (**Round answers to 1 decimal place, e.g. 1.6.**)

Current ratio	<input type="text"/>	:1
Acid-test ratio	<input type="text"/>	:1
Accounts receivable turnover	<input type="text"/>	times
Inventory turnover	<input type="text"/>	times

Question Attempts: 0 of 3 used



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