

boat 300\$

→ sold 450\$

65000\$ salary.

T-bills 100 000\$

paid → 97 000\$.

50 000\$ bonds → 52 000\$

→ C.R. 5%

150000 shares that pay annual dividends of
.50 / per share

MTR: 39%

fed: 18.98%

prov: 7.4%

gross: 45%

tax paid: 70 859.25

before tax 297 500

after tax 226 640.75

Total income:

Capital gain: 150 000\$ } 152 000 * .5
2 000\$

tax 29 640
-152 000
122 360

income: 65 000\$ } ~~26 325~~ + 1170
2 500\$ } ~~67 500~~ + 3000
3 000 } 41,175 + 1830 43005

dividends: 75 000\$

1.45 * Dividends * [MTR * (.fed + prov.)]

~~75 000~~ * ^{108 750} [0.39 - (.1898 + .074)]

9465 13 724.25

65 535 61,2757.5

CANADIAN ENTERPRISES LIMITED
Balance Sheets as of December 31, 2008 and 2009
(\$ millions)

	2008	2009		2008	2009
	<i>Assets</i>			<i>Liabilities and Owners' Equity</i>	
Current assets			Current liabilities		
Cash	\$ 114	\$ 160	Accounts payable	\$ 232	\$ 266
Accounts receivable	445	688	Notes payable	196	123
Inventory	553	555	Total	<u>\$ 428</u>	<u>\$ 389</u>
Total	<u>\$1,112</u>	<u>\$1,403</u>	Long-term debt	\$ 408	\$ 454
Fixed assets			Owners' equity		
Net, plant and equipment	<u>\$1,644</u>	<u>\$1,709</u>	Common shares	600	640
			Retained earnings	1,320	1,629
			Total	<u>\$1,920</u>	<u>\$2,269</u>
Total assets	<u>\$2,756</u>	<u>\$3,112</u>	Total liabilities and owners' equity	<u>\$2,756</u>	<u>\$3,112</u>

interest paid (the line). Net income is often expressed on a per-share basis and called *earnings per share* (EPS).

CANADIAN ENTERPRISES
2009 Income Statement
(\$ millions)

Net sales	\$1,509
Cost of goods sold	750
Depreciation	65
Earnings before interest and taxes	<u>\$ 694</u>
Interest paid	70
Income before taxes	<u>\$ 624</u>
Taxes	250
Net income	<u>\$ 374</u>
Addition to retained earnings	\$ 309
Dividends	65

$$D/\Sigma = \frac{TD}{T\Sigma} = \frac{08}{836} = 0.00957 \quad \frac{09}{843} = 0.01068$$

$$\Sigma.M. = \frac{TA}{T\Sigma} \quad \frac{2756}{1920} : 1.35 \quad \frac{3112}{2269} : 1.375$$

$$LTD : \frac{LTD}{LT.T\Sigma} \quad \frac{408}{1920+408} : .1752 \quad \frac{454}{2269+454} : 0.1667$$

$$T.I.S. = \frac{EBIT}{int} \quad \frac{694}{70} : 9.914.$$

Cash covered

Profit margin.

ROA

ROE

price: 25.57

outstanding: 100 000 000

$$\text{E.P.S.} : \frac{\text{Net income}}{\text{t. outstanding.}} \quad \frac{374}{100\,000\,000} : 3.74$$

$$\text{D.P.S.} : \frac{65 \text{ m.}}{100 \text{ m.}} : 0.65.$$

$$\text{P.E.} : \frac{\text{share price}}{\text{earnings per share}} : \frac{25.57}{3.74} : 6.8369$$