

Chapter 20



Focus on Financial Statements Online

Required

Refer to the financial statements for each of Leon's and WestJet in Appendix I at the end of the textbook. Calculate the following ratios for 2002 and 2001 indicating whether the change was favourable or unfavourable (round calculations to two decimal places).

1. Profit margin for Leon's
2. Profit margin for WestJet
3. Debt ratio for Leon's
4. Debt ratio for WestJet
5. Current ratio for Leon's
6. Current ratio for WestJet
7. Can you compare Leon's ratio results to WestJet? Explain why or why not.

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Required

Refer to the financial statements for each of Sobeys Inc. and Loblaw Companies Limited. Both companies operate retail groceries and are food distributors. Calculate the following ratios for the most current year indicating which company has the most favourable results (round calculations to two decimal places).

1. Profit margin
2. Debt ratio
3. Return on total assets

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