**AP1–3** Financial information for [**The Buckle**](http://www.buckle.com) is presented in Appendix B at the end of the book.

**Required:**

1. Determine the amounts The Buckle reports for total assets, total liabilities, and total stockholders’ equity in the balance sheet for the most recent year. Verify that the basic accounting equation balances.
2. The Buckle refers to its income statement using another name. What is it?
3. Determine the amounts The Buckle reports for net sales and net income in its income statement for the most recent year.
4. For investing activities, what are the largest inflows and largest outflows for the most recent year reported in the statement of cash flows? For financing activities, what are the largest inflows and largest outflows?
5. Who is the company’s auditor (see the Report of Independent Registered Public Accounting Firm)? What does the report indicate about the amounts reported in the company’s financial statements?

**The Buckle, Inc.**

**AP2–3** Financial information for [**The Buckle**](http://www.buckle.com/) is presented in Appendix B at the end of the book.

**Required:**

1. Is The Buckle’s company size increasing? Determine your answer by calculating the percentage change in total assets and percentage change in net sales for the most recent year.
2. Is The Buckle’s total profitability increasing? Determine your answer by calculating the percentage change in net income for the most recent year.
3. Did The Buckle issue any common stock in the most recent year?
4. Do you see the term *debit* or *credit* listed in the balance sheet? Which account types in the balance sheet increase with a debit and which ones increase with a credit?
5. Do you see the term *debit* or *credit* listed in the income statement? Which account types in the income statement increase with a debit and which ones increase with a credit?

**The Buckle, Inc.**

**AP3–3** Financial information for [**The Buckle**](http://www.buckle.com) is presented in Appendix B at the end of the book.

***Required:***

1. For the most recent year, what amount does The Buckle, Inc., report for current assets? What assets are listed as current assets? What is the ratio of current assets to total assets?
2. For the most recent year, what amount does The Buckle, Inc., report for current liabilities? What liabilities are listed as current liabilities? What is the ratio of current liabilities to total liabilities?
3. List any current assets or current liabilities which likely relate to adjusting entries.
4. For the most recent year, what is the change in retained earnings reported in the balance sheet?
5. For the most recent year, what is the amount of net income reported in the income statement?
6. Using your answers in 4 and 5, calculate the amount of dividends paid during the year. Verify your answer by looking at the retained earnings column in the statement of stockholders’ equity.

**The Buckle, Inc.**

**AP4–3** Financial information for [**The Buckle**](http://www.buckle.com) is presented in Appendix B at the end of the book.

***Required:***

1. What does the Report of Independent Registered Public Accounting Firm indicate about The Buckle’s internal controls?
2. In the summary of significant accounting policies, how does The Buckle define cash equivalents?
3. What is the amount of cash reported in the two most recent years? By how much has cash increased/decreased?
4. Determine the amounts The Buckle reports for net cash flows from operating activities, investing activities, and financing activities in its statement of cash flows for the most recent year. What are total cash flows for the year?
5. Compare your answers in question 4 to the increase/decrease you calculated in question 3. (Note: Include any effect of exchange rates on cash as an additional cash flow in question 4.)
6. What does The Buckle’s trend in net income versus free cash flows over the three most recent years suggest about the company’s earnings quality?

**The Buckle, Inc.**

**AP5–3** Financial information for [**The Buckle**](http://www.buckle.com) is presented in Appendix B at the end of the book.

***Required:***

1. Determine whether the trend in net sales is increasing or decreasing for the past three years.
2. Where is accounts receivable reported? Explain why using net sales to calculate the receivables turnover ratio might not be a good indicator of a company’s ability to efficiently manage receivables for a retail company like The Buckle, which typically sells clothing for cash.
3. Does The Buckle report an allowance for uncollectible accounts in the balance sheet? If so, how much is reported for the most recent year?

**The Buckle, Inc.**

**AP6–3** Financial information for [**The Buckle**](http://www.buckle.com) is presented in Appendix B at the end of the book.

***Required:***

1. In the summary of significant accounting policies, what is The Buckle’s procedure in accounting for inventory?
2. For the most recent year, what is the amount of inventory in the balance sheet? What does this amount represent?
3. The Buckle refers to its cost of goods sold using a different name. What is it?
4. For the most recent year, what is the amount of cost of goods sold in the income statement? What does this amount represent?
5. Calculate The Buckle’s inventory turnover ratio and average days in inventory for the most recent year.
6. Calculate The Buckle’s gross profit ratio for each of the three years. Do you notice any trend?
7. For the most recent year, calculate The Buckle’s ratio of operating expenses to net sales.

**The Buckle, Inc.**

**AP7–3** Financial information for [**The Buckle**](http://www.buckle.com) is presented in Appendix B at the end of the book.

**Required:**

1. The summary of significant accounting polices is located in footnote A to the financial statements. Locate the section on property and equipment. What depreciation method is used? What are the estimated useful lives for buildings, leasehold improvements, and property and equipment?
2. Find footnote D entitled Property and Equipment. What is the cost of property and equipment? What is the trend in property and equipment for the past two years?
3. Find footnote H entitled Commitments. What is the most common term for the leases? What are the future minimum rental commitments under operating leases at February 6, 2010?

**The Buckle, Inc.**

**AP8–3** Financial information for [**The Buckle**](http://www.buckle.com) is presented in Appendix B at the end of the book.

**Required:**

1. Calculate the current ratio for the past two years. Did the current ratio improve or weaken in the more recent year?
2. Calculate the acid-test (quick) ratio for the past two years. Did the acid-test ratio improve or weaken in the more recent year?
3. If The Buckle purchased $50 million of inventory by debiting inventory and crediting accounts payable, how would its current ratio and acid-test ratio change? Show your calculations.

**The Buckle, Inc.**

**AP9–3** Financial information for [**The Buckle**](http://www.buckle.com) is presented in Appendix B at the end of the book.

**Required:**

1. Calculate the debt to equity ratio for the past two years. Did the ratio improve or weaken in the more recent year?
2. Calculate the return on equity. Would investors obtain a higher return on equity if The Buckle borrowed more money?
3. **Review the balance sheet and note E to the financial statements.** Based on this information, how would you rate the bankruptcy risk of The Buckle?

**The Buckle, Inc.**

**AP10–3** Financial information for [**The Buckle**](http://www.buckle.com) is presented in Appendix B at the end of the book.

**Required:**

1. What is the par value per share for the common stock?
2. How many common shares were issued at the end of the most recent year?
3. Did the company have any treasury stock? How many shares?
4. How much did the company pay in cash dividends in the most recent year?
5. Has the company ever issued a stock dividend or stock split? If so, describe.

**The Buckle, Inc.**

**AP11–3** Financial information for [**The Buckle**](http://www.buckle.com) is presented in Appendix B at the end of the book.

**Required:**

1. What was the amount of increase or decrease in cash and cash equivalents for the most recent year?
2. What was net cash from operating activities for the most recent year? Is net cash from operating activities increasing each year? What is the largest reconciling item between net income and net operating cash flows during the most recent year?
3. What was net cash from investing activities for the most recent year? Is it positive or negative? What is the largest investing activity during the most recent year?
4. What was net cash from financing activities for the most recent year? Is negative financing activities a good sign or a bad sign? What is the largest financing activity during the most recent year?

**The Buckle. Inc.**

**AP12–3** Financial information for [**The Buckle**](http://www.buckle.com) is presented in Appendix B at the end of the book.

**Required:**

1. Complete the “Amount” and “%” columns to be used in a horizontal analysis of The Buckle’s income statement for the year ended February 2, 2008. Discuss the major fluctuations during the year.
2. Calculate the following risk ratios for the year ended January 30, 2010:
   1. Receivables turnover ratio.
   2. Average collection period.
   3. Inventory turnover ratio.
   4. Average days in inventory.
   5. Current ratio.
   6. Acid-test ratio.
   7. Debt to equity ratio.
3. Calculate the following profitability ratios for the year ended February 2, 2008:
   1. Gross profit ratio.
   2. Return on assets.
   3. Profit margin
   4. Asset turnover.
   5. Return on equity.