**Problem 14-5A**

Selected financial data of **Target** and **Wal-Mart** **Stores, Inc.** for a recent year are presented here (in millions).

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **TargetCorporation** |  | **Wal-MartStores, Inc.** |
|  |  | **Income Statement Data for Year** |
| Net sales |  | $67,390 |  | $405,046 |
| Cost of goods sold |  | 45,725 |  | 304,657 |
| Selling and administrative expenses |  | 13,469 |  | 79,607 |
| Interest expense |  | 757 |  | 1,884 |
| Other income (expense) |  | (2,944) |  | 2,576 |
| Income tax expense |  | 1,575 |  | 7,139 |
| Net income |  | $ 2,920 |  | $ 14,335 |
|   |  |  |  |  |
|  |  | **Balance Sheet Data (End of Year)** |
| Current assets |  | $17,213 |  | $ 48,331 |
| Noncurrent assets |  | 26,492 |  | 122,375 |
| Total assets |  | $43,705 |  | $170,706 |
| Current liabilities |  | $10,070 |  | $ 55,561 |
| Long-term debt |  | 18,148 |  | 44,396 |
| Total stockholders’ equity |  | 15,487 |  | 70,749 |
| Total liabilities and stockholders’ equity |  | $43,705 |  | $170,706 |
|   |  |  |  |  |
|  |  | **Beginning-of-Year Balances** |
| Total assets |  | $44,533 |  | $163,429 |
| Total stockholders’ equity |  | 15,347 |  | 65,285 |
| Current liabilities |  | 11,327 |  | 55,390 |
| Total liabilities |  | 29,186 |  | 98,144 |
|   |  |  |  |  |
|  |  | **Other Data** |
| Average net accounts receivable |  | $ 6560 |  | $ 4,025 |
| Average inventory |  | 7,388 |  | 33,836 |
| Net cash provided by operating activities |  | 5,271 |  | 26,249 |

Assume that net sales given are the net credit sales.

**Compute the Debts To Totals Assets ratio for each company. *(Round all answers to 1 decimal place, e.g.1.6, or 1.6 %.)***