

ENDLESS CYCLE...

(CASH OPERATING CYCLE)

ROSCONESDEREYES is a family company dedicated to elaborate "roscones de reyes". They present following information from last year:

Concept	Collection	Payment	Income	Expense	Product	Cost
Material		22.612,05 €		22.762,05 €		22.762,05 €
Owner salary		25.200,00 €		25.200,00 €		25.200,00 €
Baker salary		29.300,00 €		28.800,00 €		28.800,00 €
Loan	30.000,00 €	7.500,00 €				
Financial Interest		1.800,00 €		1.800,00 €		1.800,00 €
Alquiler local		7.200,00 €		7.200,00 €		7.200,00 €
Legal depreciation				3.366,67 €		3.366,67 €
Over the law depreciation						1.683,33 €
Corporate capital cost						50,00 €
Grant	22.500,00 €					
Sales	161.579,49 €		168.094,79 €			
Production					168.094,79 €	
TOTALS	214.079,49 €	93.612,05 €	168.094,79 €	89.128,72 €	168.094,79 €	90.862,05 €

From Balance Sheet at December 31st of 2016 you can get this information:

Total assets	55.000 €	
Total net equity	25.000 €	5.000 shares
Total liabilities	30.000 €	15% suppliers

Calculate payment period

1º) Calculate turnover (fill in the formula and calculate)

$$tp = \frac{\text{Raw material consumption}}{\text{suppliers}} = \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$$

2º) Calculate days (fill in the formula and calculate)

$$COCp = \frac{365}{tp} = \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$$