

ENDLESS CYCLE...

(CASH OPERATING CYCLE)

Live your adventure is a company dedicated to active tourism activities, created on January 1st 2011. We have the following information related to their activities during the exercise:

CONCEPT	COLLECTION	PAYMENT	INCOME	EXPENSE	PRODUCT	COST
Materials		218.000€		298.000€		298.000€
Salaries		216.200€		215.200€		215.200€
Financial Interest		3.000€		3.000€		3.000€
Marketing		15.000€		15.000€		15.000€
Corporate capital cost						400€
Legal depreciation				7.450€		7.450€
Over the law depreciation						1.862,50€
Sales	657.208,99€		730.231,88€			
Production					730.231,88€	
TOTALS						

Balance sheet at December 31st 2011 includes:

Total Assets		Equity and Liabilities	
25.000	Building	Paid capital	20.000
40.000	Machines (6 machines)	Grant	10.000
17.000	Transport elements	Long term Loan	40.000
5.000	Raw material Stock	Short term Loan	10.000
10.000	Customers	Suppliers	15.000
3.000	Cash	Bill liabilities	5.000

Calculate receivables collection period

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

$$trc = \frac{\text{sales at selling price}}{\text{customers}} = \text{_____} = \text{_____}$$

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

$$COCr = \frac{365}{trc} = \text{_____} = \text{_____}$$