

This PDF is a selection from an out-of-print volume from the National Bureau of Economic Research

Volume Title: Corporate Profits as Shown by Audit Reports

Volume Author/Editor: W. A. Paton

Volume Publisher: NBER

Volume ISBN: 0-87014-027-2

Volume URL: <http://www.nber.org/books/pato35-1>

Publication Date: 1935

Chapter Title: Other Financial And Operating Characteristics

Chapter Author: W. A. Paton

Chapter URL: <http://www.nber.org/chapters/c5605>

Chapter pages in book: (p. 86 - 105)

## VII OTHER FINANCIAL AND OPERATING CHARACTERISTICS

### OWNERSHIP RATIOS

As HAS been indicated above, the amount of borrowed capital, including current liabilities, is typically under 30 per cent of net assets in the companies embraced in this study taken as a whole. In other words, the most representative stock equity or ownership percentage (including preferred stock) is about 70. The tabulation below indicates roughly the range of ownership ratios by main groups of companies for 1929.

#### DISTRIBUTION OF OWNERSHIP RATIOS

GROUP	UNDER 50% OF NET ASSETS			50-75% OF NET ASSETS		75-100% OF NET ASSETS	
	NO. OF COS.	NO. OF COS.	% OF COS.	NO. OF COS.	% OF COS.	NO. OF COS.	% OF COS.
Extraction	37	2	6	9	24	26	70
Construction	23	7	30	6	27	10	43
Manufacturing	349	22	6	100	29	227	65
Trading	222	40	18	95	43	87	39
Real estate and finance	24	14	59	4	16	6	25
Service	57	6	10	22	39	29	51
Total	712	91	13	236	33	385	54

Examination of these figures shows a high ownership ratio among manufacturing companies as compared with trading

companies. That is, among manufacturers the ratio of borrowed capital is decidedly less as a rule than the corresponding ratio among traders. The data for the minor groups 'construction' and 'real estate and finance' indicate a tendency in these fields to operate on borrowed funds.

## LIABILITY RATIOS

The schedule of liability ratios for the manufacturing and trading groups, showing the total of fixed and current liabilities to net assets by simple averages for 1929, is given as a supplement to the foregoing data covering proprietary capital.

### PERCENTAGE RATIO OF LIABILITIES TO NET ASSETS

Manufacturing, total	21.90
Milling	28.44
Ice cream and other dairy products	25.29
Meat products	23.14
Fruit and vegetable canning	11.90
Miscellaneous food products	23.26
Cotton goods	19.70
Silks and woolens	22.20
Carpets, rugs, and other textiles	21.89
Clothing and dry goods	29.40
Tanning	26.13
Shoes	17.19
Lumber	31.05
Boxes and barrels	10.67
Miscellaneous wood products	29.29
Furniture, pianos, radios	23.12
Paper boxes	26.78
Paper	25.15
Drugs and chemicals	15.25
Cement and ceramic products	16.42
Heavy forgings, bars, billets, sheets, castings, etc.	17.65
Electrical machinery	29.09
Agricultural, construction, and mining machinery	20.05
Stoves and other heating apparatus	19.46

## PERCENTAGE RATIO OF LIABILITIES TO NET ASSETS

Manufacturing ( <i>cont.</i> )	
Miscellaneous machinery and equipment	23.48
Hardware	19.29
Miscellaneous iron and steel products	16.93
Unclassified	25.68
Trading, total	32.12
Automobile sales and service; gas and oil—wholesale and retail	31.54
Men's and women's clothing—retail	28.76
Cotton and wool merchants	45.46
Department stores	31.08
Dry goods—wholesale	29.85
Fuel, lumber, and building materials—retail	30.53
Fuel, lumber, and building materials—wholesale	33.21
Fruit, vegetables, dairy products, grain, etc.	30.54
Furniture—retail	33.70
Groceries—wholesale	22.42
Hardware—wholesale and retail	19.47
Jewelry—wholesale and retail	41.70
Paper and leather products—wholesale	26.31
Auto supplies, electrical equipment, radios, sporting goods—wholesale and retail	38.24
Unclassified	36.10

The principal facts to be drawn from the data of this schedule are the relatively low ratios displayed and the remarkable degree of consistency in indebtedness percentage between the various subgroups, particularly in manufacturing. In this field the ratio ranges from 25 to 30 per cent in eight of the subgroups; in seven, between 20 and 25 per cent; in another eight, between 15 and 20 per cent; in only two groups is the ratio less than 15 per cent or more than 30. The entire range for manufacturing is from 10.67 to 31.05; the simple average is 21.90. In the trading field nine of the fourteen special groups show liability ratios of between 28 and 34 per cent, with three groups above and two below this range. The entire range in trading is 19.47 to 45.46 per cent; and the simple average for all trading companies is 32.12.

## OPERATING RATIOS

An average operating ratio for the years available was computed for each company. The percentage was calculated in each case by dividing operating expenses by net sales. Operating expense, as used in this connection, includes all expenses as reported except interest and taxes. Where the data submitted showed an item of purchase discounts in 'non-operat-

TABLE VII  
OPERATING RATIOS  
*Ratios of Operating Expenses, excluding Interest and Taxes,  
to Net Sales*  
(in percentage form)

PERCENTAGE RANGE	EXTRAC- TION	CON-		REAL			TOTAL
		STRUC- TION	MANU- FACTURING	TRADING	ESTATE AND FINANCE	SERVICE	
Total	37	23	341	222	24	52	699
Below 70	6		5	1	13	2	27
70 to 72	1		2	1	2	1	7
72 to 74	2		4			2	8
74 to 76	1		3	1			5
76 to 78			3	1	1		5
78 to 80	1		5				6
80 to 82	2		7		1	4	14
82 to 84	1	1	12				14
84 to 86	1	2	15	4		1	23
86 to 88	1		19	2	1	5	28
88 to 90	3	1	30	3		5	42
90 to 92	3		29	7		1	40
92 to 94	1	4	37	19		7	68
94 to 96	1	2	50	37	1	5	96
96 to 98	4	3	40	65		4	116
98 to 100	3	7	37	45		6	98
100 to 102	1	1	22	23		3	50
102 to 104	2		8	7	2	3	22
104 to 106	1		6	2			9
106 and above	2	2	7	4	3	3	21



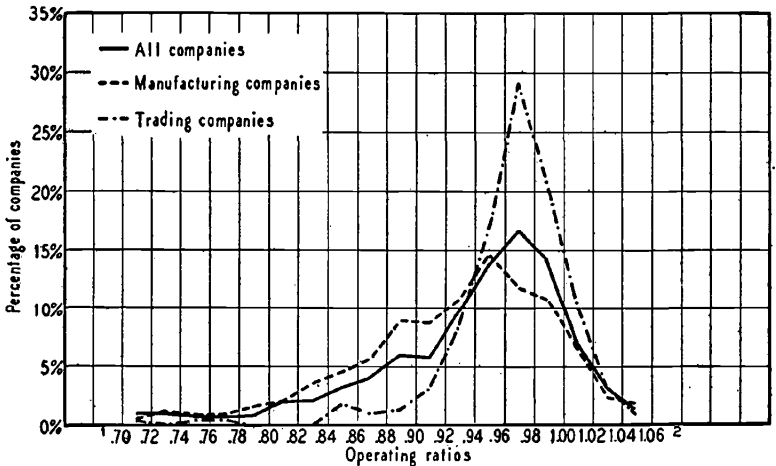


## CORPORATE PROFITS

ing income', an adjustment was made by deducting this amount from total operating expenses. The fact that the denominator in each case excludes all revenues and incomes other than sales should be borne in mind in examining these ratios.

The resulting ratios are exhibited in Table VII, classified by kinds of business and grouped by ranges of 2 per cent from 70 to 106 per cent. In each range the first figure is included and the second excluded. Only for manufacturing and trading, the two important groups of companies, are the ratios presented by subfields. The figures show, as would be expected, relatively high operating ratios in the trading field.

Figure 5  
DISTRIBUTION OF AVERAGE OPERATING RATIOS



	Manufacturing companies	Trading companies	All companies (combined)
<sup>1</sup> Below .70	1.5 %	0.5 %	3.9 %
<sup>2</sup> Above 1.06	2.1 %	1.8 %	3.0 %

For example, 209 of the 222 trading companies represented have average operating ratios above 90 per cent, while only



236 of the 341 manufacturing companies lie in this range. The figures also show a much greater degree of concentration for trading companies than for manufacturing, as is brought out graphically in Figure 5.

### WORKING CAPITAL POSITION

Table VIII gives working capital position, in the form of current ratios, for all companies by main classifications, and for manufacturing and trading companies by subgroups. In each case for which data were available a three-year average ratio of current assets to current liabilities was computed, and the results of these calculations are presented in the table by seven groups. The ratio column headings represent ranges of current assets times current liabilities, the first figure being included in each case and the second excluded.

Evidently the manufacturing companies in general maintain a stronger working capital position than do the trading enterprises. The typical (median) ratio of current assets to current liabilities included in the sample is close to 4:1; among trading companies the ratio is about 3:1. In both groups considerable variation appears, somewhat less among trading than among manufacturing companies.

## CORPORATE PROFITS

TABLE VIII  
CURRENT RATIOS  
*Ratio<sup>1</sup> of three-year aggregates, current assets to current liabilities*  
MAIN GROUPS

CODE NO.	GROUP	Ratio 0-1		Ratio 1-2		Ratio 2-3		Ratio 3-4		Ratio 4-5		Ratio 5-10		Ratio 10 and above	
		NO.	% OF COS.	NO.	% OF COS.	NO.	% OF COS.	NO.	% OF COS.	NO.	% OF COS.	NO.	% OF COS.	NO.	% OF COS.
A	Extraction	37	6	7	19	6	16	5	14	1	2	5	14	7	19
B	Construction	23	1	7	30	3	13	2	9	2	9	3	13	5	22
C	Manufacturing	350	13	4	44	13	54	15	42	12	46	13	89	25	62
D	Trading	223	4	2	43	19	39	27	34	15	18	8	43	19	22
E	Real estate and finance	24	8	33	6	25	3	12							
F	Service	57	12	21	16	28	10	18	6	10	2	4	6	10	5
	Total	714	44	6	123	17	135	19	89	12	71	10	147	21	105

<sup>1</sup> The first figure in the range is included in each case; the second figure is excluded.

## OTHER CHARACTERISTICS

95

TABLE VIII (cont.)

## SUBGROUPS

CODE NO.	GROUP	NO. OF COS.	0	1	2	3	4	5	10
			TO	TO	TO	TO	TO	TO	AND OVER
	C Manufacturing, total	350	13	44	54	42	46	89	62
C- 1	Milling	6		2		1		1	2
C- 2	Ice cream and other dairy products	13	2	3	2	1	2	2	1
C- 3	Meat products	6		1	2			2	1
C- 4	Fruit and vegetable canning	6		1				3	2
C- 5	Miscellaneous food products	23	4		5	3	4	3	4
C- 6	Cotton goods	17		2	3	2	3	5	2
C- 7	Silks and woolens	14		3	3	1	1	3	3
C- 8	Carpets, rugs, and other textiles	8		1	1		2	2	2
C- 9	Clothing and dry goods	19	1	3	5	2	2	5	1
C-10	Tanning	8		2		2			4
C-11	Shoes	14			2	4	1	5	2
C-12	Lumber	13		3	5	2		1	2
C-13	Boxes and barrels	8			1		1	4	2
C-14	Miscellaneous wood products	14		3	6			4	1
C-15	Furniture, pianos, radios	11		2	1	3	2	1	2
C-16	Paper boxes	7	1	1				2	3
C-17	Paper	11	1	2	1	2	1	4	
C-18	Drugs and chemicals	20	1	2	2	1	5	4	5
C-19	Cement and ceramic products	17		1	2	2	4	7	1
C-20	Heavy forgings, bars, billets, sheers, castings, etc.	23	1	2	4	2	5	5	4
C-21	Electrical machinery	8		2		2		4	
C-22	Agricultural, construction, and mining machinery	10		1		2	2	4	1
C-23	Stoves and other heating apparatus	9				3	4		2
C-24	Miscellaneous machinery and equipment	17		1	3	1	4	5	3
C-25	Hardware	12	1	2	1			7	1
C-26	Miscellaneous iron and steel specialties	19		1	2	3	1	5	7
C-27	Unclassified	17	1	3	3	3	2	1	4
D	Trading, total	223	4	43	59	34	18	43	22
D- 1	Automobile sales and service; gas and oil—wholesale and retail	12	2	3	2		1	4	
D- 2	Men's and women's clothing—retail	9		3	2	2		2	
D- 3	Cotton and wool merchants	7		3	2		1	1	
D- 4	Department stores	20		3	4	4	2	6	1

## CORPORATE PROFITS

TABLE VIII (cont.)

## SUBGROUPS

CODE NO.	GROUP	0 NO. OF COS.	1 TO 1	2 TO 2	3 TO 3	4 TO 4	5 TO 5	10 TO 10	10 AND OVER
D-5	Dry goods—wholesale	10		1	4	2	1	1	1
D-6	Fuel, lumber, and building materials—retail	15			7	1	1	3	3
D-7	Fuel, lumber, and building materials—wholesale	17	1	4	4	1	1	4	2
D-8	Fruit, vegetables, dairy products, grain, etc.	12		4	2	3		1	2
D-9	Furniture—retail	21		2	9	5	1	3	1
D-10	Groceries—wholesale	11		1		3	2	3	2
D-11	Hardware—wholesale and retail	15			2	1	4	4	4
D-12	Jewelry—wholesale and retail	7		3	3			1	
D-13	Paper and leather products—wholesale	8			2	3	1	1	1
D-14	Auto supplies, electrical equipment, radios, sporting goods—wholesale and retail	17	1	3	5	1	3	2	2
D-15	Unclassified	42		13	11	8		7	3

## INVENTORIES RELATIVE TO ASSETS

As of supplementary interest in connection with the status of working capital the following schedule is presented. This shows ratio of aggregate inventories to aggregate net book assets for 1929 by subgroups for the manufacturing and trading fields.

## PERCENTAGE RATIO OF AGGREGATE INVENTORIES TO AGGREGATE NET BOOK ASSETS

Manufacturing, total	25.90
Milling	29.40
Ice cream and other dairy products	10.77
Meat products	31.88
Fruit and vegetable canning	23.27
Miscellaneous food products	44.38 <sup>1</sup>
Cotton goods	27.60
Silks and woolsens	27.12

## OTHER CHARACTERISTICS

97

PERCENTAGE RATIO OF AGGREGATE INVENTORIES TO  
AGGREGATE NET BOOK ASSETS

Manufacturing ( <i>cont.</i> )	
Carpets, rugs, and other textiles	43.12
Clothing and dry goods	32.74
Tanning	44.86
Shoes	27.16
Lumber	33.69
Boxes and barrels	25.03
Miscellaneous wood products	28.05
Furniture, pianos, radios	25.05
Paper boxes	27.07
Paper	14.87
Drugs and chemicals	28.43
Cement and ceramic products	15.23
Heavy forgings, bars, billets, sheets, castings, etc.	17.24
Electrical machinery	35.87
Agricultural, construction, and mining machinery	32.07
Stoves and other heating apparatus	21.52
Miscellaneous machinery and equipment	24.70
Hardware	14.37
Miscellaneous iron and steel products	18.52
Unclassified	20.64
Trading, total	29.34
Automobile sales and service; gas and oil--wholesale and retail	26.35
Men's and women's clothing--retail	37.63
Cotton and wool merchants	49.44
Department stores	25.71
Dry goods--wholesale	38.85
Fuel, lumber, and building materials--retail	20.78 <sup>1</sup>
Fuel, lumber, and building materials--wholesale	17.52
Fruit, vegetables, dairy products, grain, etc.	27.76
Furniture--retail	21.46
Groceries--wholesale	30.68
Hardware--wholesale and retail	34.30
Jewelry--wholesale and retail	47.03

<sup>1</sup> Adjusted by the elimination of one very large company from the group this becomes 27.36.

<sup>2</sup> Adjusted by the elimination of one large company from the group this becomes 16.90.

## CORPORATE PROFITS

PERCENTAGE RATIO OF AGGREGATE INVENTORIES TO  
AGGREGATE NET BOOK ASSETSTrading (*cont.*)

Paper and leather products—wholesale	32.71
Auto supplies, electrical equipment, radios, sporting goods— wholesale and retail	40.23
Unclassified	30.71

## SALES RELATIVE TO INVENTORIES

To throw some light on the question of stock turnover, ratios of sales to inventories were calculated for all companies in the manufacturing and trading groups and the results are presented by subgroups in the following tabulation.

## RATIO OF SALES TO INVENTORIES

GROUP	NUMBER OF COMPANIES	SIMPLE AVERAGES	MEDIANS
Manufacturing			
Milling	6	16.56	13.37
Ice cream and other dairy products	13	83.18	50.01
Meat products	6	19.85	22.39
Fruit and vegetable canning	6	5.67	5.56
Miscellaneous food products	23	21.15	11.35
Cotton goods	17	3.84	3.20
Silks and woolens	14	8.49	4.27
Carpets, rugs, and other textiles	8	5.84	4.32
Clothing and dry goods	18	6.53	6.33
Tanning	8	5.06	2.76
Shoes	14	7.02	5.47
Lumber	13	3.13	2.05
Boxes and barrels	8	6.64	5.96
Miscellaneous wood products	13	6.66	5.54
Furniture, pianos, radios	11	4.34	3.99
Paper boxes	7	8.13	6.74
Paper	11	4.70	4.51
Drugs and chemicals	20	7.22	6.32
Cement and ceramic products	17	7.95	4.85
Heavy forgings, bars, billets, sheets, castings, etc.	22	7.55	5.94

## OTHER CHARACTERISTICS

99

RATIO OF SALES TO INVENTORIES (*cont.*)

GROUP	NUMBER OF COMPANIES	SIMPLE AVERAGES	MEDIANS
Manufacturing ( <i>cont.</i> )			
Electrical machinery	8	4.82	4.12
Agricultural, construction and mining machinery	10	4.13	3.75
Stoves and other heating apparatus	9	5.13	4.66
Miscellaneous machinery and equipment	16	7.15	5.96
Hardware	12	8.17	7.30
Miscellaneous iron and steel specialties	18	15.21	11.82
Unclassified	14	12.34	6.62
Trading			
Automobile sales and service; gas and oil—wholesale and retail	12	23.53	13.29
Men's and women's clothing	9	11.11	5.43
Cotton and wool merchants	6	52.65	7.17
Department stores	20	5.86	5.42
Dry goods—wholesale	10	13.41	5.17
Fuel, lumber, and building materials-- retail	15	12.82	8.32
Fuel, lumber, and building materials-- wholesale	16	8.80	5.38
Fruit, vegetables, dairy products, grain, etc.	12	32.91	27.78
Furniture—retail	21	5.50	4.83
Groceries—wholesale	11	8.39	6.66
Hardware—wholesale and retail	15	4.80	3.82
Jewelry—wholesale and retail	7	2.29	2.83
Paper and leather products	8	7.99	5.82
Auto supplies, electrical equipment, radios, sporting goods—wholesale and retail	17	13.11	7.53
Unclassified	42	8.64	4.52

In computing these ratios the first step was the calculation of the ratio of aggregate sales to aggregate inventories for each company. This was determined by adding the sales for all years available and dividing this figure by the sum of the inventories reported at the *ends* of the corresponding years. A simple average of such ratios in percentage form was then computed for the companies in each subgroup, and it is these

averages and the corresponding medians which are displayed in the table, in terms of the number of times sales are divisible by inventories. The calculations were made in this manner with the thought that the period covered was too short to furnish any evidence as to trends, and that under the circumstances the most significant figure for each company was an aggregate ratio for the three years.

It is recognized that the usual formula for the computation of turnover is cost of sales to average inventory. This mode of computation was not followed here, however, for two reasons: (1) it was felt that sales figures were more comparable than the data for cost of sales that were available; (2) there was no basis for determining an average inventory for 1927, the first year of the series. 'Cost of sales' varies sharply in content with the accounting methods in effect, particularly in the manufacturing field. In manufacturing, further, labor and overhead charges are involved in both cost of sales and inventory data, which means that the ratio of cost of sales to average inventories does not express stock turnover in the narrow sense. In comparing the results obtained here with similar data drawn from other sources, accordingly, the particular method of calculation used must be borne in mind.

In the manufacturing field high turnovers are found, as would be expected, in the food industries, particularly the ice cream and dairy products group. The other manufacturing groups (except 'miscellaneous iron and steel specialties' and 'unclassified') show a range of average turnover from 3.13 times in the lumber group to 8.49 times in the silks and woolens group. A simple average of rates for all manufacturing concerns other than the ice cream and dairy group (329 companies) is 8.5. In trading the rates are relatively low in such fields as jewelry, hardware and furniture, and high, for example, among dealers in fruit and other perishables. The



simple average of rates for all trading companies, excluding the two groups showing the highest rates, is 9.4.

In some cases the average for the group is undoubtedly not very significant (cotton and wool merchants, for example), because the figures for one or more large concerns were very unusual. The medians, while not exempt from objection, are perhaps somewhat more typical than the averages in a majority of groups. It is noticeable that in every group but one the medians are less than the averages, although in most cases the differences are not striking.

## SALARIES TO STOCKHOLDERS

In this study information on total salaries paid to stockholders was sought especially because of the possible relation of officers' 'salaries', particularly in small companies, to profits. However, for many concerns this information was not furnished and in many for which salary data were given there was evidence of a decided lack of comparability. The following tabulation, presented with due recognition of the

### AVERAGES OF AGGREGATE SALARIES PAID BY INDIVIDUAL COMPANIES TO STOCKHOLDERS

NET ASSETS	MANU- FACTURING	TRADING	ALL OTHER	ALL COMPANIES
<b>\$0 to \$200,000</b>				
Percentage reporting salaries	71	68	70	70
Average salary payments	\$12,624	\$13,020	\$14,423	\$13,255
<b>\$200,000 to \$500,000</b>				
Percentage reporting salaries	68	70	69	69
Average salary payments	\$20,924	\$14,884	\$21,684	\$18,399
<b>\$500,000 to \$1,500,000</b>				
Percentage reporting salaries	68	66	47	63
Average salary payments	\$30,028	\$29,844	\$42,141	\$31,613
<b>\$1,500,000 to \$5,000,000</b>				
Percentage reporting salaries	59	63	60	60
Average salary payments	\$54,132	\$56,602	\$34,750	\$52,586

limitations of the figures, shows the averages of aggregate salaries paid by individual companies to stockholders by four size groups. The figures indicate higher salaries in relation to net assets for the smaller companies. In other words, salaries to stockholders do not appear to increase proportionately to the growth in assets. This may in part reflect the tendency in small companies, in which the stock is held by a few persons who are also active in the administration, to pay relatively high salaries rather than dividends because of the advantage thereby derived in the matter of Federal income taxes.

### INTANGIBLE ASSETS AND EARNING POWER

It might be assumed, in view of the skeptical attitude usually taken with respect to recorded intangibles, that those companies whose assets include a considerable percentage of intangibles would show relatively low earning rates. A special tabulation of three-year average earning rates (as computed for Table I) of all companies showing intangibles in excess of 10 per cent of net book assets indicates that in the manufacturing group at least this assumption would be unwarranted, as these companies show an average earning power of 10.72 per cent. In other words, there is an indication that in general intangibles in the manufacturing group are recognized only as justified on the basis of sound values. In the trading group the concerns showing over 10 per cent of net assets on their books as intangibles seem to be inferior in earning power to other companies in this field, as they average only 5.54 per cent. Similarly in the case of 'all other' companies the average earning rate for concerns showing over 10 per cent of net assets as intangibles is considerably less than the rate earned by other companies in this group.

## OTHER CHARACTERISTICS

103

INDIVIDUAL COMPANIES WITH INTANGIBLES IN EXCESS OF TEN  
PER CENT OF NET BOOK ASSETS

## MANUFACTURING

AVERAGE NET ASSETS (INCLUDING INTANGIBLES)	AVERAGE INTANGIBLES	PERCENTAGE OF INTANGIBLES TO ASSETS	EARNING POWER
\$201,000	\$24,500	12.2	16.66
231,000	60,000	26.0	11.63
544,000	105,000	19.3	4.45
1,559,000	1,450,000	93.0	1.13
102,000	50,000	49.0	23.09
35,300	12,000	34.0	5.26
3,103,000	520,085	16.8	11.79
3,853,000	735,000	19.1	12.87
2,374,000	569,000	24.0	17.36
3,064,000	2,114,000	69.0	5.17
7,458,000	2,141,000	28.7	12.81
5,321,000	853,000	16.0	4.75
3,477,000	3,187,000	91.7	10.87
1,056,000	881,000	83.4	.71*
2,266,000	1,000,000	44.1	9.95
133,000	39,000	29.3	2.63
121,000	88,000	72.7	39.98
304,000	32,000	10.5	18.38
57,000	13,000	22.8	2.58
43,000	25,000	58.1	4.11*
160,000	29,000	18.1	16.87
1,868,000	263,000	14.1	14.68
5,740,000	2,000,000	34.8	1.18
333,000	77,000	23.1	7.55
137,000	32,000	23.4	15.82
3,009,000	311,000	10.3	13.45
84,000	10,000	11.9	17.26
1,938,000	340,000	17.5	39.68
5,757,000	767,000	13.3	4.91
654,000	185,000	28.3	2.72
527,000	80,000	15.2	11.65*
848,000	100,000	11.8	5.17
411,000	162,000	39.4	16.16
490,000	237,000	48.4	6.71
198,000	39,000	19.7	2.19
526,000	166,000	31.6	10.28
56,000	20,000	35.7	27.09
Average for manufacturing			10.72

## CORPORATE PROFITS

INDIVIDUAL COMPANIES WITH INTANGIBLES IN EXCESS OF TEN  
PER CENT OF NET BOOK ASSETS

## TRADING

AVERAGE NET ASSETS (INCLUDING INTANGIBLES)	AVERAGE INTANGIBLES	PERCENTAGE OF INTANGIBLES TO ASSETS	EARNING POWER
\$2,096,000	\$1,311,000	62.5	7.04
14,998,000	2,615,000	17.4	3.25
1,097,000	250,000	22.8	.99
6,000	4,000	66.7	4.94*
3,718,000	400,000	10.8	5.35
201,000	60,000	29.9	.05*
2,071,000	310,000	15.0	.42
130,000	25,000	19.2	5.83
278,000	50,000	18.0	1.48*
783,000	150,000	19.2	1.87
222,000	50,000	22.5	1.98*
6,118,000	711,000	11.6	14.95
110,000	30,000	27.3	8.48
170,000	37,000	21.8	.70
1,186,000	175,000	14.8	.75
168,000	100,000	59.5	37.90
2,732,000	650,000	23.8	7.17
3,939,000	1,550,000	39.4	9.87
36,638,000	4,000,000	10.9	9.05
Average for trading			5.54

## ALL OTHER

AVERAGE NET ASSETS (INCLUDING INTANGIBLES)	AVERAGE INTANGIBLES	PERCENTAGE OF INTANGIBLES TO ASSETS	EARNING POWER
\$605,000	\$548,000	90.6	9.79
3,273,000	617,000	18.9	12.45
40,000	7,500	18.8	17.82
37,000	11,000	29.7	26.07*
61,000	10,000	16.4	.18
106,000	13,000	12.3	8.78
69,901,000	43,817,000	62.7	21.41
61,000	17,000	27.9	5.38
138,000	19,000	13.8	3.74*
68,000	25,000	36.8	25.15

## OTHER CHARACTERISTICS

105

### INDIVIDUAL COMPANIES WITH INTANGIBLES IN EXCESS OF TEN PER CENT OF NET BOOK ASSETS

#### *ALL OTHER (cont.)*

AVERAGE NET ASSETS (INCLUDING INTANGIBLES)	AVERAGE INTANGIBLES	PERCENTAGE OF INTANGIBLES TO ASSETS	EARNING POWER
\$655,000	\$116,000	17.7	15.84
131,000	24,000	18.3	8.56
21,000	6,300	30.0	3.35*
162,000	27,000	16.7	17.22
95,000	39,000	41.1	6.19
34,000	14,000	41.2	1.87*
1,651,000	854,000	51.7	7.70
Average for all other			7.14

\* Deficit.