



**Read all the case study material and then answer all of the questions which follow.**

**Tesco plc**

**Introduction**

Founded in 1919 by Jack Cohen, who sold surplus groceries from a market stall in east London, Tesco is now the UK's largest supermarket operator, by sales value.

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<b>£m (at 24 February)</b>	<b>2018</b>	<b>2017</b>
Non-current assets	31 136	30 436
Current assets	13 726	15 417
<i>of which: Inventories</i>	2 263	2 301
Current liabilities	19 238	19 405
Non-current liabilities	15 166	20 034
Capital employed	25 624	26 448

**Section 1**

- 1 (a) Calculate the inventory turnover ratio in 2018. [3]
- (b) Refer to lines 90 to 92. Calculate the forecasted UK market share for Tesco in 2023. [3]
- (c) Comment on the usefulness of your result to 1(b) to any **one** of Tesco's stakeholder groups. [6]
- (d) Analyse how Tesco could attempt to improve its inventory turnover ratio. [13]

**Section 2**

- 2 Evaluate whether a strategy of growth by merger and takeover is the best way for Tesco to expand. [25]
- 3 Assess whether Tesco should continue to maintain a low dividend policy as part of a strategy to improve the company's finances. [25]
- 4 Evaluate the factors that are most likely to influence the success of the strategy of opening Jack's stores. [25]

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