

1	Cash	10,000	
	Common Stock		10,000
	Sold Stock		
2	Cash	50,000	
	Note Payable - Bank		50,000
	Borrowed Money		
3	Land	35,000	
	Cash		5,000
	Land Payable		30,000
	Purchased Land		
4	Inventory	50,000	
	Cash		50,000
	Bought inventory (1000 x \$50)		
5	Cash	80,000	
	Sales		80,000
	Sold bikes (800 x \$100)		
6	COGS	40,000	
	Inventory		40,000
	Record COGS (800 x \$50)		
7	Rent Expense	5,000	
	Cash		5,000
	Paid rent		
8	Wages Expense	10,000	
	Cash		10,000
	Paid advertising		
10	Interest Expense	5,000	
	Cash		5,000
	Paid interest on loan		
11	Wages Expense	500	
	Wages Payable		500
12	Tax Expense	5,850	
	Taxes Payable		5,850
	Record Taxes		
13	Sales	80,000	
	COGS		40,000
	Wages Expense		10,500
	Rent Expense		5,000
	Interest Expense		5,000
	Tax Expense		5,850
	Retained Earnings		13,650
	Close the year		

Sales	80,000	
COGS	(40,000)	
Rent	(5,000)	
Salary	(10,500)	
Interest	<u>(5,000)</u>	
Taxable Income	19,500	
	<u>30%</u>	x 30 %
	5,850	TAX EXPENSE

Bobcat Bikes, Inc.
Income Statement
For the Year Ended December 31, 2020

Sales		80,000
Cost of Sales		40,000
Gross Profit		<u>40,000</u>
Operating Expenses		
Salary Expense	\$ 10,500	
Rent Expense	5,000	
Total Operating Expenses	<u>15,500</u>	
Income from Operations		<u>24,500</u>
Other Revenues & <Expenses>		
Interest Expense	< 5,000 >	
Income before Taxes		<u>19,500</u>
Tax Expense		5,850
Net Income		<u><u>\$ 13,650</u></u>
Earnings Per Share		<u><u>\$ 136.50</u></u>

Bobcat Bikes, Inc.
Statement of Owners' Equity
For the Year Ended December 31, 2020

	Shares	Common Stock	Retained Earnings	Totals
Beginning Balance		\$ -	\$ -	\$ -
Issuance of Stock	100	10,000		10,000
Net Earnings for the Year			13,650	13,650
Dividends Declared			0	0
Ending Balance	100	\$ 10,000	\$ 13,650	\$ 23,650

Bobcat Bikes, Inc.
Balance Sheet
December 31, 2020

Assets		Liabilities & Owners' Equity	
Current Assets		Liabilities	
Cash	\$ 65,000	Current Liabilities	
Inventory	10,000	Taxes Payable	\$ 5,850
Total Current Assets	75,000	Wages Payable	500
 		Total Current Liabilities	6,350
Fixed Assets		Long-Term Debt	
Land	\$ 35,000	Land Payable	\$ 30,000
Net Fixed Assets	35,000	Note Payable	50,000
 		Total Long-Term Debt	80,000
 		Total Liabilities	86,350
 		Owners' Equity	
 		Common Stock	\$ 10,000
 		Retained Earnings	13,650
Total Assets	\$ 110,000	Total Owners' Equity	23,650
		Total Liabilities & Owners' Equity	\$ 110,000

