

1	Inventory	120,000	
	Accounts Payable		20,000
	Cash		100,000
	To record purchase of 15,000 biffs @ \$8		
2	Cash	220,000	
	Sales		220,000
	To record sale of 11,000 biffs @ \$20		
3	Cost of Goods Sold	88,000	
	Inventory		88,000
	To record cost of inventory sold. (11,000@\$8)		
4	Note Payable-Land	28,000	
	Interest Expense	2,000	
	Cash		30,000
	To record payment on land		
5	Rent Expense	12,000	
	Cash		12,000
	To record payment of rent		
6	Wage Expense	36,000	
	Cash		36,000
	To record land invested for common stock		
7	Cash	10,000	
	Common Stock		10,000
	Sold 100 shares for \$10,000		
8	Truck	40,000	
	Cash		40,000
	To record purchase of truck		
9	Note Payable-Bank	50,000	
	Interest Expense	10,000	
	Cash		60,000
	To record payment on note		
10	Taxes Payable	18,600	
	Cash		18,600
	Paid taxes owed from last year		
11	Tax Expense	21,600	
	Taxes Payable		10,800
	Cash		10,800
	To record current year taxes		
12	Sales	220,000	
	Cost of Goods Sold		88,000
	Rent Expense		12,000
	Wage Expense		36,000
	Interest Expense		12,000
	Tax Expense		21,600
	Retained Earnings		50,400
	To close books		



**BBBB, Inc.**  
**Income Statement**  
For the Year Ended December 31, 20X1

Sales		\$ 220,000
Cost of Goods Sold		<u>88,000</u>
Gross Margin		132,000
<b>Operating Expenses</b>		
Rent Expense	\$ 12,000	
Wage Expense	<u>36,000</u>	
Total Operating Expenses		<u>48,000</u>
Operating Income		84,000
<b>Other Revenues &amp; &lt;Expenses&gt;</b>		
Interest Expense		<u>(12,000)</u>
Income before Taxes		72,000
Tax Expense		<u>21,600</u>
Net Income		<u><u>\$ 50,400</u></u>
Earnings Per Share		<u><u>\$ 355.76</u></u>

2000 x 6/12 + 2600 x 6/12

**BBBB, Inc.**  
**Statement of Owners' Equity**  
For the Year Ended December 31, 20X1

	<u>Shares</u>	<u>Common Stock</u>	<u>Retained Earnings</u>		<u>Totals</u>
Beginning Balance	100	\$ 5,000	\$ 43,400		\$ 48,400
Common Stock Issued	100	10,000			10,000
Net Income			50,400		50,400
Dividends Declared			-		-
Ending Balance	<u>200</u>	<u>\$ 15,000</u>	<u>\$ 93,800</u>		<u>\$ 108,800</u>

**BBBB, Inc.**  
**Balance Sheet**  
December 31, 20X1

<b>Assets</b>		<b>Liabilities</b>	
<b>Current Assets</b>		<b>Current Liabilities</b>	
Cash	\$ 73,600	Taxes Payable	\$ 10,800
Inventory	<u>40,000</u>	Accounts Payable	<u>20,000</u>
Total Current Assets	113,600	Total Current Liabilities	30,800
<b>Fixed Assets</b>		<b>Long-Term Liabilities</b>	
Land	30,000	Note Payable	<u>50,000</u>
Truck	40,000	Total Liabilities	80,800
<b>Other Assets</b>		<b>Owners' Equity</b>	
Security Deposit	<u>6,000</u>	Common Stock	\$ 15,000
Total Assets	<u>\$ 189,600</u>	Retained Earnings	<u>93,800</u>
		Total Owners' Equity	<u>108,800</u>
		Total Liabilities and Owners' Equity	<u>\$ 189,600</u>