

## Chris's Beamer Business Yr. 2

1 Inventory	360,000	
Cash		144,000
Accounts Payable		216,000
To record purchase of 9 Beamers with 40% down		
2 Cash	288,000	
Accounts Receivable	192,000	
Sales		480,000
To record sale of 8 Beamers @ \$60,000 each with 60% down		
3 Cost of Sales	320,000	
Inventory		320,000
To record cost of inventory sold 8@\$40,000		
4 Wage Expense	23,000	
Wages Payable	1,000	
Cash		24,000
To record payment of wages		
5 Utilities Expense	3,000	
Cash		3,000
To record payment of utilites		
6 Rent Expense	12,000	
Cash		8,000
Rent Payable		4,000
To record rent for yr. 2		
7 Cash	25,000	
Common Stock		25,000
To record issuance of 200 shares on May 1		
8 Wage Expense	3,000	
Wages Payable		3,000
To record unpaid wages at 12/31		
9 Retained Earnings	5,000	
Cash		5,000
To record payment of dividend		
10 Interest Expense	8,000	
Note Payable - Uncle Phil	50,000	
Cash		58,000
to record payment on Note		
11 Taxes Payable	35,400	
Cash		35,400
Paid last year's taxes		
12 Tax Expense	33,300	
Taxes Payable		33,300
To record taxes for the year		
13 Sales	480,000	
Cost of Sales		320,000
Rent Expense		12,000
Wage Expense		26,000
Utilities Expense		3,000
Interest Expense		8,000
Tax Expense		33,300
Retained Earnings		77,700
To close books		
	1,838,700	1,838,700

**Chris's Beamer Business Yr 2 Opening T Accts**

<u>Assets</u>		=	<u>Liabilities</u>		+	<u>Owners' Equity</u>		+	(	<u>Revenues - Expenses</u>		-
<u>Cash</u>			<u>Accounts Payable</u>			<u>Common Stock</u>				<u>Sales</u>		
BB	634,000			0	BB		450,000	BB				
			<u>Wages Payable</u>			<u>Retained Earnings</u>				<u>Cost of Sales</u>		
				1,000	BB		78,900	BB				
			<u>Taxes Payable</u>							<u>Wage Expense</u>		
				35,100	BB							
<u>Accounts Receivable</u>										<u>Rent Expense</u>		
BB	0											
			<u>Rent Payable</u>							<u>Utilities Expense</u>		
				0	BB							
<u>Inventory</u>			<u>Note Payable-Uncle Phil</u>							<u>Interest Expense</u>		
BB	80,000			200,000	BB							
										<u>Tax Expense</u>		
<u>Land</u>												
BB	50,000											
<u>Security Deposit</u>												
BB	1,000											





**Chris's Beamer Business, Inc.**  
**Balance Sheet**  
**December 31, 20X2**

	Assets		Liabilities
<b>Current Assets</b>			<b>Current Liabilities</b>
Cash	\$ 669,600		Accounts Payable
Accounts Receivable	192,000		Taxes Payable
Inventory	<u>120,000</u>		Wages Payable
<b>Total Current Assets</b>	<u>981,600</u>		Rent Payable
			<u>4,000</u>
			<b>Total Current Liabilities</b>
			<u>256,300</u>
<b>Fixed Assets</b>			<b>Long-Term Debt</b>
Land	<u>50,000</u>		Note Payable- Phil
<b>Net Fixed Assets</b>	<u>50,000</u>		<u>150,000</u>
			<b>Total Long-Term Debt</b>
			<u>150,000</u>
			<b>Total Liabilities</b>
			<u>406,300</u>
<b>Other Assets</b>			<b>Owners' Equity</b>
Security Deposit	<u>1,000</u>		Common Stock
			475,000
			Retained Earnings
			<u>151,600</u>
			<b>Total Owners' Equity</b>
			<u>626,600</u>
<b>Total Assets</b>	<u>\$ 1,032,600</u>		<b>Total Liabilities and Owners' Equity</b>
			<u>\$ 1,032,900</u>

**Chris's Beamer Business, Inc.**  
**Income Statement**  
**For the Year Ended December 31, 20X2**

Sales	\$ 480,000
Cost of Sales	<u>320,000</u>
Gross Margin	160,000
<b>Operating Expenses</b>	
Wage Expense	\$ 26,000
Rent Expense	12,000
Utilities Expense	<u>3,000</u>
<b>Total Operating Expenses</b>	<u>41,000</u>
Operating Income	119,000
<b>Other Revenues &amp; &lt;Expenses&gt;</b>	
Interest Expense	< <u>8,000</u> >
Income Before Taxes	111,000
Tax Expense	<u>33,300</u>
Net Income	<u>\$ 77,700</u>
<b>Earnings Per Share</b>	<u>\$ 13.79</u>
(5,500*4/12) + (5,700*8/12)	

**Chris's Beamer Business, Inc.**  
**Statement of Owners' Equity**  
**For the Year Ended December 31, 20X2**

	Shares	Common Stock	Retained Earnings	Total
Beginning Balance	5500	\$ 450,000	\$ 78,900	\$ 528,900
Common Stock Issued	200	25,000		\$ 25,000
Net Income			77,700	77,700
Dividends Declared			< <u>5,000</u> >	< <u>5,000</u> >
<b>Ending Balance</b>	<u>5700</u>	<u>\$ 475,000</u>	<u>\$ 151,600</u>	<u>\$ 626,600</u>