

Dariko Co.
Balance Sheet
December 31, 20X0

Assets		Liabilities & Owners' Equity	
Current Assets		Liabilities	
Cash	\$ 57,000	Current Liabilities	
Inventory	<u>25,000</u>	Accounts Payable	\$ 8,000
Total Current Assets	82,000	Wages Payable	<u>1,000</u>
 		Total Current Liabilities	9,000
Fixed Assets		Long-Term Liabilities	
Land	30,000	Note Payable	<u>20,000</u>
 		Total Liabilities	29,000
Other Assets		Owners' Equity	
None	<u>0</u>	Common Stock	\$ 10,000
		Retained Earnings	<u>73,000</u>
		Total Owners' Equity	<u>83,000</u>
 		Total Liabilities & Owners'	
Total Assets	<u>\$ 112,000</u>	Equity	<u>\$ 112,000</u>

Dariko Co.
Income Statement
For the Year Ended December 31, 20X0

Sales		\$ 85,000
Cost of Sales		<u>40,000</u>
Gross Margin		45,000
Operating Expenses		
Rent Expense	\$ 12,000	
Wage Expense	11,000	
Utilities Expense	1,000	
Advertising Expense	<u>2,000</u>	
Total Operating Expenses		<u>26,000</u>
Operating Income		19,000
Other Revenues & <Expenses>		
Interest Expense		<u>< 4,000></u>
Taxable Income		15,000
Tax Expense		<u>4,500</u>
Net Income		<u>10,500</u>
Earnings Per Share		<u>\$ 10.77</u>

$10,500 / (900 \times 3/12) + (1000 \times 9/12)$

Dariko Co.
Statement of Owners' Equity
For the Year Ended December 31, 20X0

	<u>Shares</u>	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Total</u>
Beginning Balance	900	\$ 9,000	\$ 87,500	\$ 86,500
Common Stock Issued	100	1,000		1,000
Net Income			10,500	10,500
Less: Dividends Declared			<u>< 25,000></u>	<u>< 25,000></u>
Ending Balance	1,000	<u>\$ 10,000</u>	<u>\$ 73,000</u>	<u>\$ 83,000</u>