

1	Accounts Payable	414,000		12	Insurance Expense		3,600	
	Cash		414,000		Prepaid Insurance			3,600
	To record payment of Accts. Pay.				To record insurance expense			
2	Cash	105,600		13	Rent Expense		12,000	
	Accounts Receivable		105,600		Cash			10,000
	To record receipt of Accts. Rec.				Prepaid Rent			1,000
					Rent Payable			1,000
					To record payment and accrual of rent			
3	Inventory	240,000		14	Depreciation Expense		20,400	
	Cash		60,000		Accumulated Depreciation- Building			15,000
	Accounts Payable		180,000		Accumulated Depreciation- Furn & Fixt			5,400
	To record purchase of 5 @ \$48,000				To record depreciation expense for 2020			
4	Cash	560,000			Building $((200,000-50,000)/10)$			
	Accounts Receivable		140,000		Furn & Fixt $((60,000-6,000)/10)$			
	Sales		700,000	15	Depreciation Expense		900	
	To record sale of 10 @ \$70,000				Accumulated Depreciation			900
5	Cost of Sales	460,000			record depreciation on the sign			
	Inventory		460,000	16	Interest Expense		6,000	
	To record cost of inventory sold				Cash			6,000
	10 at \$46,000				To record interest paid to Uncle Phil			
6	Wages Payable	3,000		17	Taxes Payable		13,440	
	Wage Expense		44,000		Cash			13,440
	Cash		47,000		To record payment of x3 taxes			
	To record payment of wages			18	Retained Earnings		30,000	
7	Wage Expense	4,000			Cash			30,000
	Wages Payable		4,000		To record payment of dividend			
	To record unpaid wages at 12/31			19	Tax Expense		39,990	
8	Utilities Expense	3,000			Taxes Payable			39,990
	Cash		3,000		To record taxes for the year			
	To record payment of utilites			20	Sales		700,000	
9	Building	200,000			Cost of Sales			460,000
	Cash		40,000		Rent Expense			12,000
	Mortgage Payable-Building		160,000		Wage Expense			48,000
	To record purchase of building				Utilities Expense			3,000
10	Interest Expense	12,800			Depreciation Expense			21,300
	Cash		12,800		Insurance Expense			3,600
	To record interest on building				Interest Expense			18,800
	(.08)(160,000)				Tax Expense			39,990
					Retained Earnings			93,310
11	Furniture and Fixtures	60,000			To close books			
	Cash		60,000					
	Purchased Furn and Fixtures							
		2,246,400	2,246,400				822,730	822,730

Beamer 20x4 Pre-Closing Entry

<u>Assets</u>		=	<u>Liabilities</u>		+	<u>Owners' Equity</u>		+	<u>Revenues</u>		-	<u>Expenses</u>		)
<u>Cash</u>			<u>Accounts Pay</u>			<u>Common Stock</u>			<u>Sales</u>			<u>Cost of Sales</u>		
BB	415,900			414,000	BB		485,000	BB		700,000	4	5	460,000	
2	105,600	414,000	1	180,000	3									
4	560,000	60,000	3	594,000										
		47,000	6	180,000										
		3,000	8											
		40,000	9											
		12,800	10	3,000	BB									
		60,000	11	4,000	7									
		10,000	13	7,000										
				4,000										
		6,000	16											
		13,440	17											
		30,000	18											
		<u>1,081,500</u>		<u>696,240</u>										
		385,260												

<u>Accounts Receivable</u>			<u>Rent Payable</u>		
BB	105,600			0	BB
4	140,000	105,600	2	1,000	13
	<u>245,600</u>	<u>105,600</u>			
	140,000				

<u>Inventory</u>			<u>Contract Payable-Furniture &amp; Fixtures</u>		
BB	644,000				
3	240,000	460,000	5		
	<u>884,000</u>	<u>460,000</u>			
	424,000				

<u>Prepaid Rent</u>			<u>Mortgage Payable-Building</u>		
BB	1,000	1,000	13		
				0	BB
				160,000	9

<u>Prepaid Insurance</u>			<u>Note Payable-Uncle Phil</u>		
BB	9,900			150,000	BB
		3,600	12		
		<u>6,300</u>			

<u>Building</u>			<u>Accumulated Deprec- Build</u>		
BB	0			0	BB
9	200,000			15,000	14

<u>Furniture &amp; Fixtures</u>			<u>Accum Deprec- Furn &amp; Fixt</u>		
11	60,000			5,400	14

<u>Signs</u>			<u>Accumulated Depreciation-Signs</u>		
BB	10,000			300	BB
				900	15
				<u>1,200</u>	

<u>Land</u>			<u>Security Deposit</u>		
BB	50,000				

<u>Security Deposit</u>					
BB	1,000				

<u>Wage Expense</u>	
6	44,000
7	4,000
	<u>48,000</u>

<u>Rent Expense</u>	
13	12,000

<u>Utilities Expense</u>	
8	3,000

<u>Insurance Expense</u>	
12	3,600

<u>Interest Expense</u>	
10	12,800
0	2,246,400
16	6,000
	<u>2,265,200</u>

<u>Depreciation Expense</u>	
14	20,400
15	900
	<u>21,300</u>

<u>Income Tax Expense</u>	
19	39,990



**CBB, Inc.**  
**Balance Sheet**  
**December 31, 20X4**

Assets		Liabilities	
<b>Current Assets</b>		<b>Current Liabilities</b>	
Cash	\$ 385,260	Accounts Payable	\$ 180,000
Accounts Receivable	140,000	Income Taxes Payable	39,990
Inventory	424,000	Wages Payable	4,000
Prepaid Insurance	6,300	Rent Payable	1,000
<b>Total Current Assets</b>	<b>955,560</b>	<b>Total Current Liabilities</b>	<b>224,990</b>
<b>Fixed Assets</b>		<b>Long-Term Debt</b>	
Building	\$ 200,000	Note Payable- Phil	150,000
Furniture & Fixtures	60,000	Mortgage Payable-Building	\$ 160,000
Signs	10,000	<b>Total Long-Term Debt</b>	<b>310,000</b>
Subtotal	270,000	<b>Total Liabilities</b>	<b>534,990</b>
Less: Accumulated Depreciation	(21,600)	<b>Owners' Equity</b>	
Subtotal	248,400	Common Stock	485,000
Land	50,000	Retained Earnings	234,970
<b>Net Fixed Assets</b>	<b>298,400</b>	<b>Total Owners' Equity</b>	<b>719,970</b>
<b>Other Assets</b>		<b>Total Liabilities and Owners' Equity</b>	
Security Deposit	1,000		
<b>Total Assets</b>	<b>\$ 1,254,960</b>		<b>\$ 1,254,960</b>

**CBB, Inc.**  
**Income Statement**  
**For the Year Ended December 31, 20X4**

Sales	\$ 700,000
Cost of Sales	460,000
Gross Margin	240,000
<b>Operating Expenses</b>	
Wage Expense	\$ 48,000
Rent Expense	12,000
Depreciation Expense	21,300
Utilities Expense	3,000
Insurance Expense	3,600
<b>Total Operating Expenses</b>	<b>87,900</b>
Income From Operations	152,100
<b>Other Revenues &amp; &lt;Expenses&gt;</b>	
Interest Expense	< 18,800 >
Income Before Taxes	133,300
Tax Expense	39,990
Net Income	<b>\$ 93,310</b>
<b>Earnings Per Share</b>	<b>\$ 16.09</b>

**CBB, Inc.**  
**Statement of Changes in Owners' Equity**  
**For the Year Ended December 31, 20X4**

	Shares	Common Stock	Retained Earnings	Totals
Beginning Balance	5800	\$ 485,000	\$ 171,660	\$ 656,660
Earnings for the year			93,310	93,310
Less: Dividend Declared			(30,000)	(30,000)
<b>Ending Balance</b>	<b>5800</b>	<b>\$ 485,000</b>	<b>\$ 234,970</b>	<b>\$ 719,970</b>

**CBB, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 20X4**

<b>Operating Activities</b>		
Net Income	\$	93,310
<b>Adjustments to Net Income:</b>		
Add: Depreciation Expense		21,300
<b>Changes in:</b>		
Increase in Accounts Receivable		(34,400)
Decrease in Inventory		220,000
Decrease in Prepaid Rent		1,000
Decrease in Prepaid Insurance		3,600
Decrease in Accounts Payable		(234,000)
Increase in Wages Payable		1,000
Increase in Taxes Payable		26,550
Increase in Rent Payable		1,000
<b>Cash Provided by Operating Activities</b>		<b>99,360</b>
 <b>Investing Activities</b>		
Purchases of Building	(200,000)	
Purchase of Furniture and Fixtures	(60,000)	
<b>Cash Used for Investing Activities</b>		<b>(260,000)</b>
 <b>Financing Activities</b>		
Borrowed Money	160,000	
Payment of Dividends	(30,000)	
<b>Cash Used for Financing Activities</b>		<b>130,000</b>
 <b>Net Cash Flow</b>		 <b>(30,640)</b>
 <b>Beginning Cash</b>		 <b>415,900</b>
<b>Ending Cash</b>	<b>\$</b>	<b>385,260</b>
 <b>Supplemental Cash Flow Information</b>		
Cash payments for interest	\$	18,800
Cash payments for income taxes		13,440