

ACCT 100 - Class Assignment 6
 Chapters 12 & 13

Part I - From the partial worksheet below, calculate the amounts to be found on the Multi-Step Income Statement. *Show your calculations!*

ACCOUNT NAME	INCOME STATEMENT	
	DEBIT	CREDIT
Income Summary	27,000	25,000
Sales		291,000
Sales Returns and Allowances	11,100	
Sales Discounts	4,100	
Purchases	116,000	
Purchase Returns and Allowances		1,200
Purchase Discounts		1,000
Freight In	7,500	
Sales Commissions	36,000	
Rent Expense	10,000	
Wages Expense	27,000	
Delivery Expense	8,000	
Insurance Expense	5,000	
Interest Expense	2,000	
Depreciation Expense	7,000	
Advertising Expense	12,000	
	272,700	318,200

- a. Net Sales _____

- b. Cost of Goods Sold _____

- c. Gross Profit _____

- d. Total Selling Expenses _____

- e. Total General Expenses _____

- f. Income from Operations _____

- g. Net Income _____

Part II - From the accounts listed below calculate the amounts found on the Classified Balance Sheet. *Show your calculations!*

Building	\$ 160,000
Prepaid Insurance	600
Merchandise Inventory	76,000
Store Equipment	14,000
Unearned Fees	700
Notes Payable (due in 6 mos.)	7,000
Accumulated Depreciation, Building	76,000
Accounts Payable	22,000
Land	40,000
Store Supplies	1,000
Cash	9,000
Accumulated Depreciation, Store Equipment	6,000
Notes Receivable (due in 4 months)	4,000
Mortgage Payable (current portion)	4,400
Salaries Payable	2,000
C. Ray, Capital	101,500
Mortgage Payable (due in 5 years)	85,000

- a. Total Current Assets _____
- b. Total Property, Plant & Equipment _____
- c. Total Current Liabilities _____
- d. Total Long Term Liabilities _____
- e. Total Owner's Equity _____

Adjust the balances in the above Balance Sheet as of December 31, 2019:

- a. The six-month insurance policy was purchased on August 1, 2019.
- b-c. Inventory on hand at December 31, 2019, is \$81,000.
- d. The store equipment has a useful life of 6 years and a residual value of \$2,000.
- e. The building has a useful life of 20 years and an estimated residual value of \$8,000.
- f. The unearned fees account represents four months of revenue received on Nov. 1, 2019.
- g. As of December 31, 2019, there were \$350 of store supplies on hand.
- h. Our employees are paid a total of \$6,750 for a 5-day work week. December 31 fell on a Tuesday.

	DATE	DESCRIPTION	POST REF	DEBIT	CREDIT	
1	(a)					1
2						2
3						3
4	(b)					4
5						5
6						6
7	(c)					7
8						8
9						9
10	(d)					10
11						11
12						12
13	(e)					13
14						14
15						15
16	(f)					16
17						17
18						18
19	(g)					19
20						20
21						21
22	(h)					22
23						23
24						24
25						25