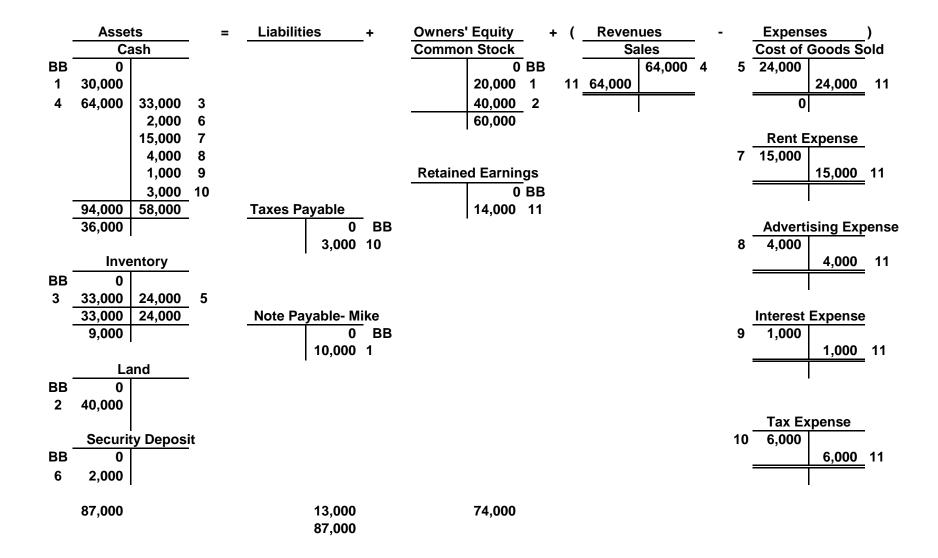
1 Cash	30,000	
Common Stock		20,000
Note Payable- Uncle Mike		10,000
To record set up of business.		
2 Land	40,000	
Common Stock		40,000
To record exchange of land for 200 shares of common stock	•	
	22.000	
3 Inventory Cash	33,000	22.000
To record purchase of 11 beamers @ \$3,000.		33,000
4 Cash	64,000	64.000
Sales		64,000
To record sale of 8 beamers @ \$8,000.		
5 Cost of Goods Sold	24,000	
Inventory	,	24,000
To record cost of inventory sold. (8@\$3,000)		
6 Security Democit	2 000	
6 Security Deposit Cash	2,000	2 000
To record payment of security deposit.		2,000
7 Rent Expense	15,000	
Cash		15,000
To record payment of rent.		
8 Advertising Expense	4,000	
Cash		4,000
To record payment of advertising.		
	4.000	
9 Interest Expense	1,000	1 000
Cash To record payment of interest on note		1,000
To record payment of interest on note.		
10 Tax Expense	6,000	
Cash		3,000
Taxes Payable		3,000
To record payment of taxes.		
11 Sales	64,000	
Cost of Goods Sold		24,000
Rent Expense		15,000
Advertising Expense		4,000
Interest Expense		1,000
Tax Expense		6,000
Retained Earnings		14,000
To close books		
	283,000	283,000



## CBB, Inc. Balance Sheet December 31, 20X1

Assets	i	Liabilities		
Current Assets		Current Liabilities		
Cash	\$ 36,000	Taxes Payable		\$ 3,000
Inventory	9,000	Long-Term Liabilities		
<b>Total Current Assets</b>	45,000	Note Payable- Mike		10,000
		Total Liabilities		13,000
Fixed Assets				
Land	40,000	Owners' Equity		
		Common Stock	\$ 60,000	
Other Assets		Retained Earnings	14,000	
Security Deposit	2,000	Total Owners' Equity		74,000
		Total Liabilities and		
Total Assets	<u>\$ 87,000</u>	<b>Owners' Equity</b>		\$ 87,000

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

Sales		\$	64,000
Cost of Goods Sold			24,000
Gross Margin			40,000
Operating Expenses			
Rent Expense	\$ 15,000		
Advertising Expense	4,000		
Total Operating Expenses			19,000
Operating Income			21,000
Other Revenues & <expenses></expenses>			
Interest Expense			(1,000)
Income before Taxes			20,000
Tax Expense			6,000
Net Income		<u>\$</u>	14,000
Earnings Per Share		<u>\$</u>	76.36

14,000 / (100 x 7/12) + (300 x 5/12)

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

Beginning Balance	<u>Shares</u>	Common <u>Stock</u> \$ -	Retained <u>Earnings</u> \$-	<u>Totals</u> \$-
Common Stock Issued	300	60,000		60,000
Net Income			14,000	14,000
Dividends Declared				
Ending Balance	300	\$ 60,000	\$ 14,000	\$ 74,000

Year 1