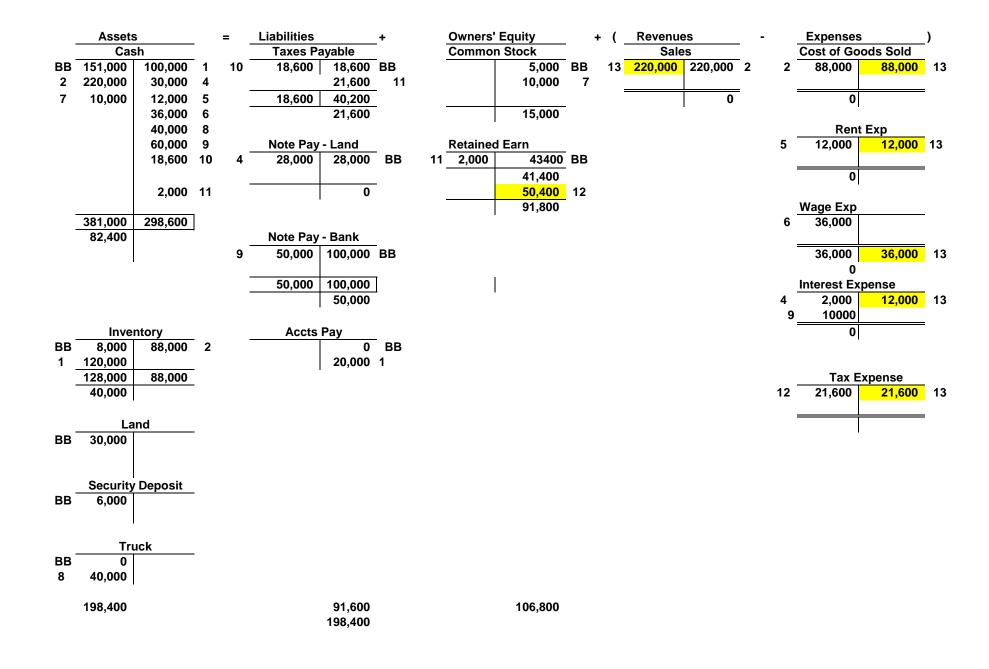
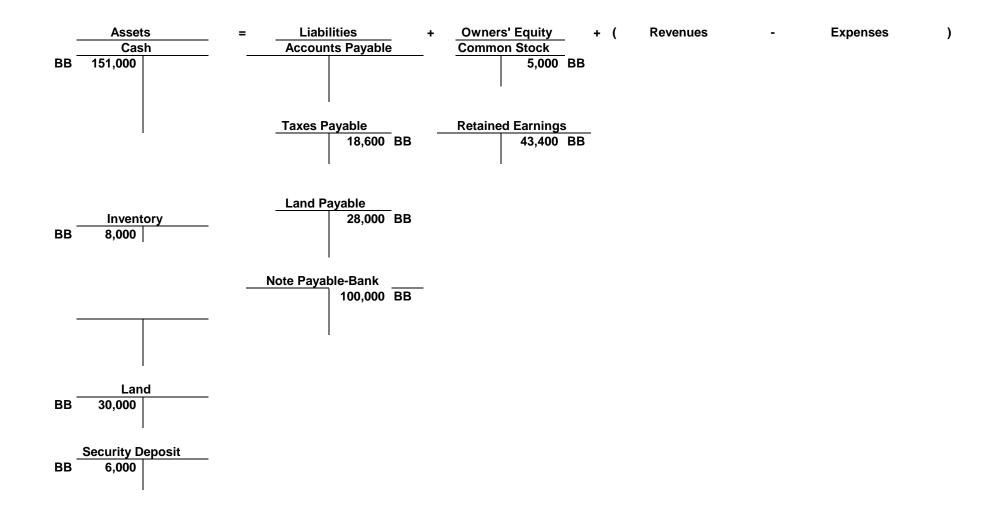
1	Inventory Accounts Payable Cash To record purchase of 15,000 balloons @ \$8	120,000	20,000 100,000
2	Cash Sales To record sale of 11,000 balloons @ \$20	220,000	220,000
3	Cost of Goods Sold Inventory To record cost of inventory sold. (11,000@\$8)	88,000	88,000
4	Note Payable-Land Interest Expense Cash To record payment on land	28,000 2,000	30,000
5	Rent Expense Cash To record payment of rent	12,000	12,000
6	Wage Expense Cash To record land invested for common stock	36,000	36,000
7	Cash Common Stock Sold 100 shares for \$10,000	10,000	10,000
8	Truck Cash To record pruchase of truck	40,000	40,000
9	Note Payable-Bank Interest Expense Cash To record payment on note	50,000 10,000	60,000
10	Taxes Payable Cash Paid taxes owed from last year	18,600	18,600
11	Retained Earnings Cash paid dividend	2,000	2,000
12	Tax Expense Taxes Payable	21,600	21,600
13	To record current year taxes  Sales Cost of Goods Sold Rent Expense Wage Expense Interest Expense Tax Expense Retained Earnings To close books	220,000	88,000 12,000 36,000 12,000 21,600 50,400





## Bob's Big Balloons, Inc. Income Statement For the Year Ended December 31, 20X1

Sales Cost of Goods Sold Gross Margin		\$ 220,000 88,000 132,000	
		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Operating Expenses			
Rent Expense	\$ 12,000		
Wage Expense	36,000		
Total Operating Expenses	<u> </u>	48,000	
Operating Income		84,000	
Other Revenues & <expenses></expenses>			
Interest Expense		(12,000)	
Income before Taxes		72,000	
Tax Expense		21,600	
Net Income		\$ 50,400	
			Weighted Average Shares
Earnings Per Share		<u>\$ 318.32</u>	100 x 5/12 + 200 x7/12

## Bob's Big Balloons, Inc. Statement of Owners' Equity For the Year Ended December 31, 20X1

	Common		Retained			
	Shares Stock		<b>Earnings</b>		<u>Totals</u>	
Beginning Balance	100	\$	5,000	\$	43,400	\$ 48,400
Common Stock Issued	100		10,000			10,000
Net Income					50,400	50,400
Dividends Declared					(2,000)	(2,000)
Ending Balance	200	\$	15,000	\$	91,800	\$ 106,800

## Bob's Big Balloons, Inc. Balance Sheet December 31, 20X1

Assets		Liabilities		
Current Assets		Current Liabilities		
Cash \$ 82,400		Taxes Payable		\$ 21,600
Inventory	40,000	Accounts Payable		20,000
Total Current Assets	122,400	<b>Total Current Liabilities</b>		41,600
		Long-Term Liabilities		
Fixed Assets		Note Payable		50,000
Land	30,000	Total Liabilities		91,600
Truck	40,000			
		Owners' Equity		
Other Assets		Common Stock	\$ 15,000	
Security Deposit	6,000	Retained Earnings	91,800	
		Total Owners' Equity		106,800
Total Assets	<b>\$ 198,400</b>	Total Liabilities and		
		Owners' Equity		\$ 198,400