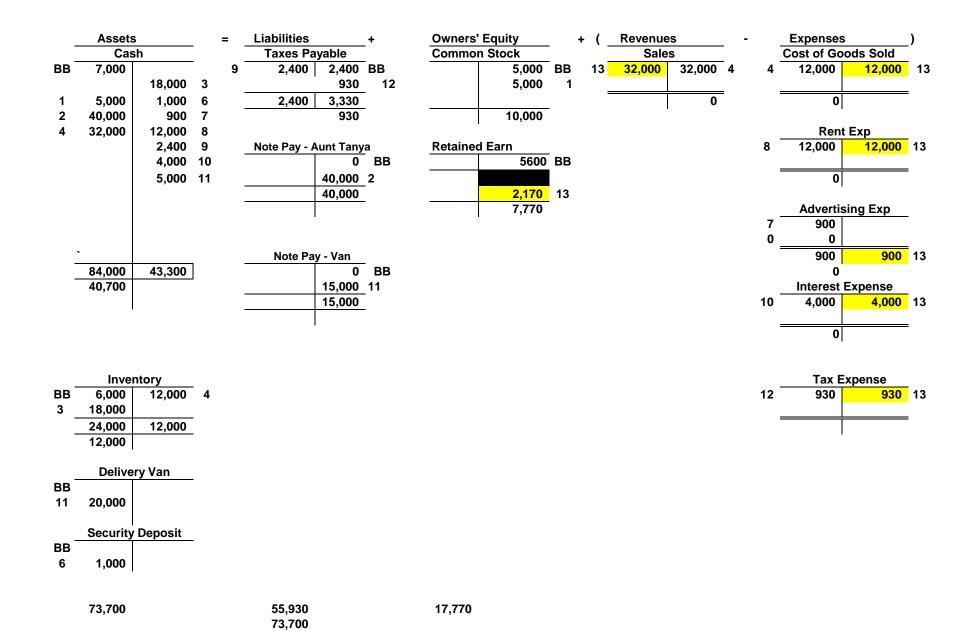
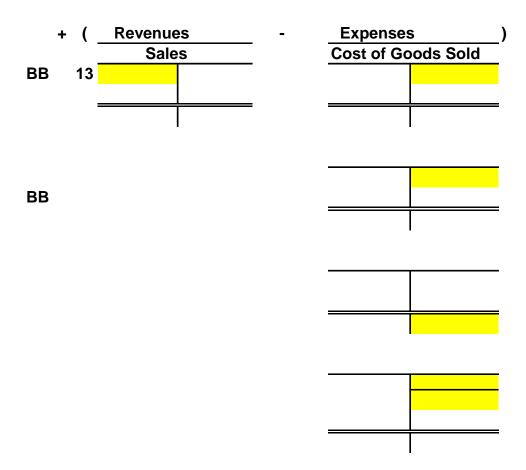
1	Cash	5,000	
-	Common Stock	3,000	5,000
	To record stock issued, 500 shares @ \$10 each		-,
	, , , , , , , , , , , , , , , , , , , ,		
2	Cash	40,000	
	Notes Payable - Aunt Tanya	,	40,000
	Borrowed money from Aunt Tanya at 10% interest		-,
	·		
3	Inventory	18,000	
	Cash		18,000
	To record purchase of inventory (6 x \$3,000)		·
	, , , , , , , , , , , , , , , , , , , ,		
4	Cash	32,000	
	Sales		32,000
	To record sale of inventory (4 x \$8,000)		·
5	Cost of Goods Sold	12,000	
	Inventory		12,000
	To record cost of inventory sold (4 x \$3,000)		
6	Security Deposit	1,000	
	Cash		1,000
	Paid security deposit		
7	Advertising Expense	900	
	Cash		900
	To record payment for advertising		
8	Rent Expense	12,000	
	Cash		12,000
	To record payment of rent		
9	Taxes Payable	2,400	
	Cash		2,400
	Paid taxes owed from last year		
10	Interest Expense	4,000	
	Cash		4,000
	To record payment of interest		
11	Delivery Van	20,000	
	Cash		5,000
	Notes Payable - Van		15,000
	Purchased delivery van		
12	Tax Expense	930	
	Taxes Payable		930
	To record current year taxes		
4.5	0.1		
13	Sales	32,000	40.000
	Cost of Goods Sold		12,000
	Rent Expense		12,000
	Wage Expense		900
	Interest Expense		4,000
	Tax Expense		930
	Retained Earnings		2,170
	To close books		



	Assets		=	Liabilities		+	Owners' Equity Common Stock			
•	Cas	Cash		Taxes Pa	vable	_				
ВВ	7,000	-			2,400	BB -		5,000		
						_	Retained			
								5600		
						_	_			
						_				
						_				
-										
	 Invento	orv	•			-				
ВВ	6,000	<u> </u>	•			-				
	,									
•										
	13,000				2,400 13,000			10,600		
-										
				0			0			
				0						



## Wonkies, Inc. Income Statement For the Year Ended December 31, 20X2

Sales		\$	32,000	
Cost of Goods Sold			12,000	
Gross Margin			20,000	
Operating Expenses				
Rent Expense	\$ 12,000			
Advertising Expense	 900	_		
Total Operating Expenses			12,900	
Operating Income			7,100	
Other Revenues & <expenses></expenses>				
Interest Expense			(4,000)	
Income before Taxes			3,100	
Tax Expense			930	
Net Income		\$	2,170	
Earnings Per Share		\$	2.89	\$2,170 / (500 6/12) + (1000 x6/12)

## Wonkies, Inc. Statement of Owners' Equity For the Year Ended December 31, 20X2

	<u>Shares</u>	Common Shares Stock		Retained Earnings		<u>Totals</u>		
Beginning Balance	500	\$	5,000	\$	5,600	\$	10,600	
Common Stock Issued	500		5,000				5,000	
Net Income					2,170		2,170	
Dividends Declared					-		-	
Ending Balance	1000	\$	10,000	\$	7,770	\$	17,770	

## Wonkies, Inc. Balance Sheet December 31, 20X2

Assets			Liabilities				
Current Assets			Current Liabilities				
Cash	\$	40,700	Taxes Payable			\$	930
Inventory		12,000	Note Payable - Van				15,000
Total Current Assets 52,70			Total Current Liabilities Long-Term Liabilities		15,930		
			Note Payable - Aunt Ta	anya			40,000
Fixed Assets							
Delivery Van		20,000	Total Liabilities				55,930
			Owners' Equity				
Other Assets			Common Stock	\$	10,000		
Security Deposit		1,000	Retained Earnings		7,770	_	
	-		Total Owners' Equity				17,770
Total Assets	\$	73,700	Total Liabilities and				
			Owners' Equity			\$	73,700