

Cash	
100000	70000
3000	400
	1200
103000	71600
balance 31400	

Figuur 1

Assets		=	Liabilities		+	Stockholder's equity	
Debit for increases +	Credit for decreases -		Debit for decreases -	Credit for increases +		Debit for decreases -	Credit for increases +

Figuur 2

		Debit	Credit
July 31	Rent expense	1600	
	Prepaid rent		1600

Figuur 3

		Prepaid rent		
July 3		3200	1600	July 31
		Rent expense		
July 31		1600		

Figuur 4

		Debit	Credit
July 31	Office supplies expense	1540	
	Office supplies		1540

Figuur 5

		Office supplies		
July 5		5200	1540	July 31
		Office supplies expense		
July 31		1540		

Figuur 6

			Debit	Credit
July 31	Depreciation expense- Office equipment		300	
	Accumulated depreciation- Office equipment			300

Figuur 7

		<u>Office equipment</u>	
July 6		16320	
		<u>Accumulated depreciation- Office equipment</u>	
			300 July 31

		<u>Depreciation expense- Office equipment</u>	
July 31		300	

Figuur 8

			Debit	Credit
July 31	Wages expense		720	
	Wages payable			720

Figuur 9

		<u>Wages payable</u>	
			720 march 31

		<u>Wages expense</u>	
July 26			
(last payday)	4800		
July 31	720		

Figuur 10

			Debit	Credit
July 31	Unearned design revenue		800	
	Design revenue			800

Figuur 11

		<u>Unearned design revenue</u>	
July 31		800	1400 July 2

		<u>Design revenue</u>	
			800 July 31

Figuur 12

		Debit	Credit																				
July 31	Accounts receivable	400																					
	Revenue earned		400																				
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;"></td> <td style="width: 40%; border-bottom: 1px solid black;">Accounts receivable</td> <td style="width: 15%;"></td> <td style="width: 30%;"></td> </tr> <tr> <td>July 31</td> <td style="text-align: center;">400</td> <td style="border-left: 1px solid black;"></td> <td></td> </tr> <tr> <td colspan="4" style="padding: 10px 0 0 40px;"> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;"></td> <td style="width: 40%; border-bottom: 1px solid black;">Design Revenue</td> <td style="width: 15%;"></td> <td style="width: 30%;"></td> </tr> <tr> <td></td> <td style="text-align: center;">400</td> <td style="border-left: 1px solid black;"></td> <td>July 31</td> </tr> </table> </td> </tr> </table>					Accounts receivable			July 31	400			<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;"></td> <td style="width: 40%; border-bottom: 1px solid black;">Design Revenue</td> <td style="width: 15%;"></td> <td style="width: 30%;"></td> </tr> <tr> <td></td> <td style="text-align: center;">400</td> <td style="border-left: 1px solid black;"></td> <td>July 31</td> </tr> </table>					Design Revenue				400		July 31
	Accounts receivable																						
July 31	400																						
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	400		July 31																				

Figuur 13

$$\text{Revenues} - \text{operating expenses} = \text{Step 1: income from operations} + \text{or - other revenues \& expenses} = \text{Step 2: income before income taxes} - \text{income taxes} = \text{Step 3: net income}$$

Figuur 14

$$\text{Net sales} - \text{cost of goods sold} = \text{Step 1: gross margin} - \text{operating expenses} = \text{Step 2: income from operations} + \text{/ - other revenues and expenses} = \text{Step 3: income before income taxes} - \text{income taxes} = \text{Step 4: net income}$$

Figuur 15

$$\text{Current ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$$

Figuur 16

$$\text{Profit margin} = \frac{\text{Net Income}}{\text{Net Sales}}$$

Figuur 17

$$\text{Asset turnover} = \frac{\text{Net sales}}{\text{Average total sales}}$$

Figuur 18

$$\text{Return on assets} = \frac{\text{Net income}}{\text{Average total assets}}$$

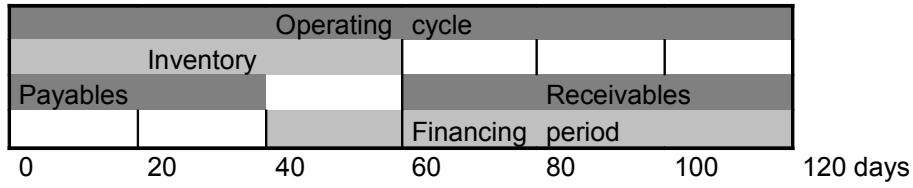
Figuur 19

$$\text{Debt to equity} = \frac{\text{Total liabilities}}{\text{Stockholders' equity}}$$

Figuur 20

$$\text{Return on equity} = \frac{\text{Net income}}{\text{Average stockholders' equity}}$$

Figuur 21



Figuur 22

Oct-3	Merchandise inventory	9780	
	Accounts payable		9780
Oct-06	Accounts payable	960	
	Merchandise inventory		960
Oct-10	Accounts payable	8820	
	Cash		8820

Figuur 23

Oct 7	Accounts receivable	2400	
	Sales		2400
	Cost of goods sold	1440	
	Merchandise inventory		1440
Oct 9	Sales returns and allowenses	900	
	Accounts receivable		900
	Merchandise inventory	360	
	Cost of goods sold		360
Nov 5	Cash	1800	
	Accounts receivable		1800

Figuur 24

Oct 3	Purchases	9780	
	Accounts payable		9780
Oct 6	Accounts payable	960	
	Purchases returns and allowances		960
Oct 10	Accounts payable	8820	
	Cash		8820

Figuur 25

Oct 7	Accounts receivable	2400	
	Sales		2400
Oct 9	Sales returns and allowances	600	
	Accounts receivable		600
Nov 5	Cash	1800	
	Accounts receivable		1800

Figuur 26

Inventory data				
June	1	inventory	80 units @	\$ 10,00 \$ 800
	6	purchase	220 units @	\$ 12,50 \$ 2750
	25	Purchase	200 units @	\$ 14,00 \$ 2800
		Goods available for sale	500	<u>\$ 6350</u>
		Sales	<u>280</u>	
		On hand June 30	<u>220</u> units	

Figuur 27

50 units @	\$ 10,00	\$ 500	Cost of goods available	
100 units @	\$ 12,50	\$ 1250	for sale	\$ 6350
<u>70 units @</u>	<u>\$ 14,00</u>	<u>\$ 980</u>	Less June 30 inventory	<u>\$ 2730</u>
units at				
<u>220</u> a cost of		<u>\$ 2730</u>	Cost of goods sold	<u>\$ 3620</u>

Figuur 28

Ending inventory: 220units @ \$12.70	<u>\$ 2794</u>
Cost of goods available for sale	\$ 6350
Less June 30 inventory	<u>\$ 2794</u>
Cost of goods sold	<u>\$ 3556</u>

Figuur 29

200 units @	\$ 14.00	From purchase of June 25	\$ 2800
<u>20 units @</u>	<u>\$ 12.50</u>	<u>From purchase of June 6</u>	<u>\$ 250</u>
220 units at a cost of			<u>\$ 3050</u>
Cost of goods available for sale			\$ 6350
Less June 30 inventory			<u>\$ 3050</u>
Cost of goods sold			<u>\$ 3300</u>

Figuur 30

80 units @	\$ 10,00	From June 1 inventory	\$ 800
<u>140 units @</u>	<u>\$ 12,50</u>	<u>From purchase of June 6</u>	<u>\$ 1750</u>
220 units at a cost of			<u>\$ 2550</u>
Cost of goods available for sale			\$ 6350
Less June 30 inventory			<u>\$ 2550</u>
Cost of goods sold			<u>\$ 3800</u>

Figuur 31

June	1 Inventory	80 units @	\$ 10.00
	6 Purchase	220 units @	\$ 12.50
	10 Sale	280 units	
	25 Purchase	200 units @	\$ 14.00
	30 Inventory	220 units @	

Figuur 32

June	1 Inventory	80 units @	\$ 10.00	\$ 800
	6 Purchase	220 units @	\$ 12.50	<u>\$ 2750</u>
	6 Balance	300 units @	\$ 11.83	\$ 3550*
	10 Sale	280 units @	-\$ 11.83	<u>-\$ 3313</u>
	10 Balance	20 units @	\$ 11.83	\$ 237
	25 Purchase	200 units @	\$ 14.00	\$ 2800*
	30 Inventory	220 units	\$ 13.80	<u>\$ 3037</u>
	Cost of goods sold			<u>\$ 3313</u>

new average computed

Figuur 33