

Using the following information create the Income Statement:

Gross Sales	200,000
Sales Returns	6,000
Sales Discounts	1,000
Cost of Goods Sold	97,000
Advertising Expense	10,000
Sales Salaries	30,000
Bookkeeping Fees	5,000
Office Supplies	1,000
Income Tax	20,000

[illegible]

BOOKKEEPING LEVEL 2 QUIZ 3 INCOME STATEMENT FOR A MERCHANDISING CONCERN USING PERPETUAL INVENTORY

Answer:

Gross Sales	200,000
Sales Returns	6,000
Sales Discounts	1,000
Cost of Goods Sold	97,000
Advertising Expense	10,000
Sales Salaries	30,000
Bookkeeping Fees	5,000
Office Supplies	1,000
Income Tax	20,000

Gross Sales			200,000
Less: Sales Returns		6,000	
Sales Discounts		1,000	7,000
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Net Sales			193,000
Cost of Goods Sold			97,000

Gross Profit			96,000
Operating Expenses:			
Selling Expenses:			
Advertising	10,000		
Sales Salaries	30,000	40,000	

General & Admin Expenses:			
Bookkeeping Fees	5,000		
Office Supplies	1,000	6,000	
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Total Operating Expenses			46,000

Income From Operations			50,000
Income Tax			20,000

Net Income			30,000
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