|  |  |  |
| --- | --- | --- |
| **Income** |   |   |
| Gross Sales | 346,400 |   |
|  Less returns and allowances | 1,000 |   |
|   Net Sales |   | 345,400 |
|   |
| Cost of Goods |   |
|  Merchandise Inventory, January 1 | 160,000 |   |
|  Purchases | 90,000 |   |
|  Freight Charges |   2,000 |   |
|  Total Merchandise Handled | 252,000 |   |
|   |  |  |
|  Less Inventory, December 31 | 100,000 |   |
|   Cost of Goods Sold |   | 152,000 |
|   Gross Profit |   | 193,400 |
|   |  |  |
| Interest Income |  500 |   |
| **Total Income** |  | **193,900** |
|   |
| **Expenses** |   |   |
| Salaries | 68,250 |   |
| Utilities | 5,800 |   |
| Rent | 23,000 |   |
| Office Supplies | 2,250 |   |
| Insurance | 3,900 |   |
| Advertising | 8,650 |   |
| Telephone | 2,700 |   |
| Travel and Entertainment | 2,550 |   |
| Dues & Subscriptions | 1,100 |   |
| Interest Paid | 2,140 |   |
| Repairs & Maintenance | 1,250 |   |
| Taxes & Licenses | 11,700 |   |
| **Total Expenses** |  | **133,290** |
|   |
| **Net Income** |  | **$60,110** |