

Principles of Financial Accounting I
Handout 5-H1A

Cam's Bee Farm had the following accounts in its adjusted trial balance on December 31, the end of the current fiscal year.

Advertising Expense	\$ 3,100
Depreciation Expense	5,100
Freight-in	500
Freight-out	1,800
Insurance Expense	1,900
Merchandise Inventory	7,000
Office Salaries Expense	11,000
Property Taxes Expense	2,500
Purchases	44,000
Purchase Discounts	1,000
Purchase Returns and Allowances	870
Sales	102,000
Sales Discounts	400
Sales Returns and Allowances	700
Sales Salaries Expense	17,093
Utilities Expense	4,000

Merchandise inventory on January 1, of the current year, was \$11,000.

Instructions

Prepare an income statement at December 31, the end of the current year. (Note: Use the working paper file available on D2L.)