

Principles of Financial Accounting I
Handout 5-H2A

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

Accounts Payable	\$89,000
Accounts Receivable	50,200
Accumulated Depreciation – Building	52,000
Accumulated Depreciation – Equipment	43,000
Building	200,000
Cash	24,000
Depreciation Expense – Building	15,000
Depreciation Expense – Equipment	18,000
Equipment	120,000
Freight-in	10,400
Freight-out	16,000
Insurance Expense	12,500
Merchandise Inventory	40,000
Mortgage Payable	80,000
Office Salaries Expense	29,203
Prepaid Insurance	2,400
Property Taxes Expense	15,200
Property Taxes Payable	4,300
Purchases	294,000
Purchase Discounts	13,000
Purchase Returns and Allowances	6,080
Sales	698,000
Sales Commissions Expense	47,000
Sales Commissions Payable	4,000
Sales Discounts	5,000
Sales Returns and Allowances	7,000
Sales Salaries Expense	105,000
R. Craig, Capital	175,000
R. Craig, Drawing	28,000
Utilities Expense	15,000

Merchandise inventory on January 1, of the current year, was \$90,000.

Instructions

Prepare a multi-step income statement (showing details of Cost of Goods Sold calculation) at December 31, the end of the current year. (Note: Use Working Papers from a file available on D2L.)