|  |  |  |
| --- | --- | --- |
| **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** |