

Problem 3-6A Financial Statements:

SLOCOMBE COMPANY
 INCOME STATEMENT
 TWO MONTHS (YEAR?) ENDED OCTOBER 31, 2010

Service revenue		\$5,700
Expenses:		
Salaries expense	\$1,400	
Utilities expense	<u>500</u>	
Total expenses		<u>1,900</u>
Net Income		<u>\$3,800</u> =====

SLOCOMBE COMPANY
 STATEMENT OF RETAINED EARNINGS
 TWO MONTHS (YEAR?) ENDED OCTOBER 31, 2010

Beginning balance		\$ 0
Net income		<u>3,800</u>
		3,800
Dividends		<u>300</u>
Ending balance		<u>\$3,500</u> =====

SLOCOMBE COMPANY
 BALANCE SHEET
 OCTOBER 31, 2010

ASSETS

Current Assets:		
Cash		\$ 5,900
Accounts receivable		6,400
Supplies		<u>2,100</u>
Total current assets		14,400
Long-Lived Assets:		
Equipment		<u>8,000</u>
Total Assets		<u>\$22,400</u> =====

LIABILITIES

Current Liabilities:		
Accounts payable		\$ 3,600
Unearned revenue		<u>300</u>
Total liabilities		3,900

STOCKHOLDERS' EQUITY

Common stock	\$ 15,000	
Retained earnings	<u>3,500</u>	
Total Shareholders' Equity		<u>18,500</u>
Total Liabilities and Shareholders' Equity		<u>\$22,400</u> =====

Chapter 3 Problem 6B Financial Statements:

CAPALDO DRY CLEANERS
INCOME STATEMENT
TWO MONTHS (YEAR?) ENDED JULY 31, 2010

Dry cleaning revenue		\$10,800
Expenses:		
Repairs	\$ 492	
Salaries	5,214	
Utilities	<u>1,767</u>	
Total expenses		<u>7,473</u>
Net Income		<u>\$3,327</u> =====

CAPALDO DRY CLEANERS
STATEMENT OF RETAINED EARNINGS
TWO MONTHS (YEAR?) ENDED JULY 31, 2010

Beginning balance		\$ 0
Net income		<u>3,327</u>
		3,327
Dividends		<u>400</u>
Ending balance		<u>\$2,927</u> =====

CAPALDO DRY CLEANERS
BALANCE SHEET
JULY 31, 2010

ASSETS

Current Assets:		
Cash		\$ 5,198
Accounts receivable		10,047
Supplies		<u>4,232</u>
Total current assets		19,477
Long-Lived Assets:		
Equipment		<u>25,950</u>
Total Assets		<u>\$45,427</u> =====

LIABILITIES

Current Liabilities:		
Accounts payable		\$ 5,770
Unearned revenue		<u>1,730</u>
Total liabilities		7,500

STOCKHOLDERS' EQUITY

Common stock	\$ 35,000	
Retained earnings	<u>2,927</u>	
Total Shareholders' Equity		<u>37,927</u>
Total Liabilities and Shareholders' Equity		<u>\$45,427</u> =====