

## 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	10,000
Depreciation Expense – Equipment	13,000
Equipment	120,000
Freight-in	3,400
Freight-out	16,000
Insurance Expense	7,500
Merchandise Inventory	70,000
Mortgage Payable	80,000
Office Salaries Expense	29,092
Prepaid Insurance	2,400
Property Taxes Expense	5,200
Property Taxes Payable	4,300
Purchases	494,000
Purchase Discounts	13,000
Purchase Returns and Allowances	6,080
Sales	706,000
Sales Commissions Expense	17,000
Sales Commissions Payable	4,000
Sales Discounts	5,000
Sales Returns and Allowances	7,000
Sales Salaries Expense	47,000
R. Craig, Capital	175,000
R. Craig, Drawing	28,000
Utilities Expense	12,000

Other relevant information is as follows:

1. Merchandise inventory on January 1, of the current year, was \$40,000.
2. Insurance expense and utilities expense are 60% selling and 40% administrative.
3. Depreciation on the building and property tax expense are administrative expenses; depreciation on the equipment is a selling expense.

### ***Instructions***

Prepare a multi-step income statement at December 31, the end of the current year. (Note: Use plain paper, an unused page from Working Papers, or print from a file available on the class web site.)