C Exercise Set

Answer questions 1–4 using the following word problem.

Ned Wisser received a salary of $265 last month. A friend paid him $75, and he received $54 in birthday money. His dad rewarded him with $15 for his excellent grades his first few weeks back in school. He won $75 in a local art contest. He spent $27.85 in art supplies and $48.90 on school supplies. He paid $140 for his school tuition and $180 on new school clothes.

1. $484 What were Ned's total receipts?
2. $396.75 What were Ned's total payments?
3. excess Did Ned have an excess or a deficit?
4. $87.25 How much was the excess or deficit?

Answer questions 5–10 using the following word problem.

Aunt Sally's Cookies owns a $79,000 shop. The store has 3 ovens worth $699 each, 15 cookie sheets worth $7.18 each, 9 bowls worth $4.87 each, and other equipment worth a total of $4,475. They owe the bank $54,500, and they owe their supplier $2,780. Other liabilities total $1,780.

5. $2,097 What is the total value of the ovens?
6. $107.70 What is the total value of the cookie sheets?
7. $43.83 What is the total value of the bowls?
8. $85,723.53 What are the total assets?
9. $59,060 What are the total liabilities
10. $26,663.53 What is the capital?

D Exercise Set

Complete the chart.

	Assets	Liabilities	Capital
1.	$44,630	$16,210	$28,420
2.	$1,043,287	$58,988	$984,299
3.	$284,730	$169,825	$114,905
4.	$97,824	$27,875	$69,949
5.	$241,140	$104,250	$136,890
6.	$14,280,000	$4,299,025	$9,980,975

Complete the balance sheets. Find the total assets, total liabilities, capital, and total liabilities and capital.

7.

T-Shirts By You
Balance Sheet
February 28, 20–

Assets		**Liabilities**	
Cash	$2,500	Shirt Farm	$ 1,700
Merchandise Inventory	17,980	State Bank	52,650
Store Furniture	1,275		
Land and Building	87,600		
		Total Liabilities	? $54,350
		Capital	
		Damon Jones, Capital	? $55,005
Total Assets	$109,355 ?	Total Liabilities and Capital	? $109,355

8.

Jay's Office Supplies
Balance Sheet
May 31, 20–

Assets		**Liabilities**	
Cash	$480	Grant Suppliers	$ 2,500
Merchandise Inventory	29,260	First State Bank	15,000
Building and Land	83,500	Federal Savings	27,500
Office Supplies	5,210		
Accounts Receivable	1,980		
		Total Liabilities	? $45,000
		Capital	
		Jay McBrayer, Capital	? $75,430
Total Assets	$120,430 ?	Total Liabilities and Capital	? $120,430

Complete the charts.

	Beginning Inventory	Merchandise Purchases	Goods Available for Sale	Ending Inventory	Cost of Goods Sold
9.	$45,400	$17,600	$63,000	$39,000	$24,000
10.	$1,473,290	$394,680	$1,867,970	$1,050,800	$817,170
11.	$11,270	$4,665	$15,935	$12,980	$2,955
12.	$75,000	$23,810	$98,810	$54,725	$44,085

	Sales	Returns	Net Sales	Cost of Goods Sold	Gross Profit
13.	$84,900	$5,980	$78,920	$59,300	$19,620
14.	$5,675	$473.50	$5,201.50	$2,480	$2,721.50
15.	$10,849	$1,087	$9,762	$6,044	$3,718
16.	$42,710	$695.75	$42,014.25	$30,220	$11,794.25
17.	$58,920	$5,762	$53,158	$41,874	$11,284

	Sales	Returns and Allowances	Net Sales	Cost of Goods Sold	Gross Profit	Expenses	Net Profit or Loss	Label as Profit or Loss
18.	$40,210	$149	$40,061	$16,820	$23,241	$21,630	$1,611	Profit
19.	$1,300,000	$16,780	$1,283,220	$487,500	$795,720	$365,900	$429,820	Profit
20.	$47,250	$6,988	$40,262	$25,400	$14,862	$23,210	$8,348	Loss
21.	$11,900	$187.10	$11,712.90	$3,616	$8,096.90	$4,820	$3,276.90	Profit
22.	$97,600	$9,450	$88,150	$62,900	$25,250	$12,810	$12,440	Profit
23.	$25,100	$388.20	$24,711.80	$5,090	$19,621.80	$14,750	$4,871.80	Profit

D Exercise Set

Supply the missing amounts in the income statement.

The Window Curtain
Income Statement
For the Month Ended September 30, 20–

Income from sales:		
Sales	$97,320	
Less refunds and allowances	4,287	
Net sales		$93,033
Cost of goods sold:		
Beginning inventory September 1, 20–	$63,210	
Plus merchandise purchases	19,780	
Total cost of goods available for sale	$82,990	
Less ending inventory, September 30, 20–	34,690	
Cost of goods sold		$48,300
Gross profit		$44,733
Operating expenses:		
Wages	$18,400	
Mortgage	4,675	
Taxes	3,870	
Insurance	2,925	
Advertising	4,810	
Utilities	1,500	
Other expenses	5,850	
Total operating expenses		$42,030
Net Profit		$2,703

E Exercise Set

Prepare an income statement for each business.

1. *Mama's Deli*

For the Month Ended July 31, 20–
Sales: $16,250
Cost of goods sold: $7,320
Gross profit: ? **$8,930**
Operating expenses: $4,250
Net profit or loss: ? **$4,680**

2. *Jake's Auto Sales*

For the Month Ended December 31, 20–
Sales: $212,550
Returns: $19,850
Net sales: ? **$192,700**
Beginning inventory: $130,000
Merchandise purchases: $78,900
Total cost of goods available for sale: ? **$208,900**
Ending inventory: $62,785
Cost of goods sold: ? **$146,115**
Gross profit: ? **$46,585**
Operating expenses: $17,980
Net profit or loss: ? **$28,605**