

COMPANY FINANCIAL STATEMENTS (CH 8)

EXTRA PRACTICE MATH

The Trial Balance of Alpha Limited (which sells washing machines) contained the following accounts (alphabetically) at December 31, 2020, the end of the company's financial year.

Accounts	Balances (\$)	Accounts	Balances (\$)
10% Mortgage Loan	116000	Equipment	201000
Accumulated Depreciation-Buildings	121000	Loss on Sale of Property	7670
Accumulated Depreciation-Equipment	36000	Merchandise Inventory	227000
Additional Paid in Capital-Common Stock	224000	Rent Revenue	53000
Auditors Fee	209000	Retained Earnings	51600
Buildings	404000	Salaries and Wages Expense	105000
Cash	227730	Sales Revenue	1753000
Common Stock (\$2 per share)	123000	Sales Returns and Allowances	9000
Cost of Goods Sold	1081000	Supplies	6200

Additional Data:

1. On December 31, 2020, supplies on hand totalled \$2500.
2. Buildings are being depreciated @10% under straight line method. Equipment is being depreciated @20% under declining balance method.
3. The company is under 30% tax bracket.
4. The company has declared total dividend of \$30750.
5. Physical check on December 31, 2020 reveals that inventory actually on hand is \$223000.
6. The interest on the mortgage loan has not yet been paid.

Questions

Prepare the (a) Multiple Step Income Statement, and the (b) Stockholders' Equity Statement for the year ended December 31, 2020, and the (c) Classified Balance Sheet as at December 31, 2020.