

The following selected accounts and their current balances appear in the ledger of Case- It Co. for the fiscal year ended November 30, 2010:

Cash	\$ 37,700	Sales Returns and Allowances	\$ 37,800
Accounts Receivable	111,600	Sales Discounts	19,800
Merchandise Inventory	180,000	Cost of Merchandise Sold	1,926,000
Office Supplies	5,000	Salaries Expense	378,000
Prepaid Insurance	12,000	Advertising Expense	50,900
Office Equipment	115,200	Delivery expense	8,300
Accumulated Depreciation—Office Equipment	49,500	Miscellaneous Selling Expense	2,000
Store Equipment	311,500	Office Salaries Expense	73,800
Accumulated Depreciation- Store Equipment	87,500	Insurance Expense	22,950
Accounts Payable	48,600	Rent Expense	39,900
Salaries Payable	3,600	Sales Commission	16,200
Note Payable (final payment due 2025)	54,000	Office Supplies Expense	1,650
Gina Hennessy, Capital	454,800	Miscellaneous Administrative Expense	1,900
Gina Hennessy, Drawing	45,000	Interest Expense	4,400
Sales	2,703,600		

Additional Information:

- a. Merchandise inventory on hand \$ 170,000, on November 30, 2010
- b. Office supplies expires during the accounting period 3,000
- c. Depreciation on fixed assets @10 p.a.
- d. Tax rate @30% p.a.

Instructions

- 1. Prepare a multiple-step income statement.
- 2. Prepare a statement of owner’s equity.
- 3. Prepare a classified balance sheet, assuming that the current portion of the note payable is \$8,000.