# Espresso Income Statement Exercise

Attached are Espresso’s 2018 financial statements, including the 2018 comparative income statement. Using the information found on the income statement and accompanying notes, answer the following questions.

1. What was Espresso’s net income for 2018?

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2. How is revenue recognized?

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3. What items make up research and development?

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4. What was the advertising cost paid in fiscal year 2017?

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5. What items are included in cost of revenue and how much did Espresso spend in 2018?

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