

Financial Management For Engineers

EMGT 6305

SPRING 2022

Lingxuan Ye

HW 4

Section 2

|  |  |  |
| --- | --- | --- |
| **OUTDOORS, INC.**  December 31, 2021 | | |
| **Income Statement** | | |
|  | Debit | Credit |
| Subscription Revenue |  | 196700 |
| Advertising Revenue |  | 39300 |
| **Total Income** |  | **236000** |
| Salaries Expense | 127410 |  |
| Printing and Mailing Expense | 81800 |  |
| Rent Expense | 4100 |  |
| Supplies Expense | 6600 |  |
| Insurance Expense | 1860 |  |
| Depreciation Expense | 5600 |  |
| Income Tax Expense | 1500 |  |
| **Total Operating Expense** | **228870** |  |
| **Net Income** |  | **7130** |
|  | | |
| **Statement of Retained Earnings** | | |
|  | Debit | Credit |
| **Beginning Retained Earnings** |  | **27400** |
| Net Income |  | 7130 |
| Cash Dividends | 0 |  |
| **Net Increase in Retained Earnings** |  | **7130** |
| **Ending Retained Earnings** |  | **34530** |

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| **Balance Sheet** | | | | | |
|  | Debit | Credit |  | Debit | Credit |
| Cash | 15400 |  | Accounts Payable |  | 17100 |
| Accounts Receivable | 18600 |  | Unearned Subscription Revenue |  | 12000 |
| Supplies | 5200 |  | Salaries Payable |  | 3500 |
| Prepaid Insurance | 8930 |  | **Total Current Liabilities** |  | **32600** |
| **Total Current Assets** | **48130** |  | Bonds Payable |  | 120000 |
| Office Equipment | 70000 |  | **Total Long-Term Liabilities** |  | **120000** |
| Office Equipment Accumulated Depreciation |  | 16000 | **Total Liabilities** |  | **152600** |
| Building | 80000 |  | Common Stock |  | 45000 |
| Building Accumulated Depreciation |  | 20000 | Retained Earnings |  | 34530 |
| Land | 70000 |  | **Total Stockholder’s Equity** |  | **79530** |
| **Total Fixed Assets** | **184000** |  |  |  |  |
| **Total Assets** | **232130** |  | **Total Liabilities and Equity** |  | **232130** |