Solution:

Both retained earnings and income are consolidated into a single statement, and the consolidated balance sheet will be presented on the next page.

STATEMENT OF INCOME CUM RETAINED EARNINGS (Amount in millions of \$)

Name: P&G Co.	As Of: 30 June, 2011
Particulars	Amount
INCOME STATEMENT:	
Net Sales	82,559
Cost of Goods Sold	(40,768)
Gross Profit	41,791
Operating Expenses:	
Selling, administrative & general expenses	25,973
Interest expenses	831
Total operating expenses	26,804
Net Operating Income	14,987
Less: Other non-operating income (expenses)	202
Income Before Tax	15,189
Less: Income Tax Paid	(3,392)
Net Income	11,797
RETAINED EARNINGS:	
Retained Earnings as of June 30, 2010	64,614
Add: Net Income	11,797
Less: Dividends Paid to Shareholders	(5,729)
Retained Earnings as of June 30, 2011	70,682

CLASSIFIED & CONSOLIDATED BALANCE SHEET (Amount in millions of \$)

Particulars Amount ASSETS: Current assets: Cash & Cash Equivalents 2,768 Accounts Receivables 6,275 Inventories 7,379 Prepaid Expenses & other current assets 4,408 Total current assets: 20,830 Non-current assets: *** Property, plants & equipment 41,507 Less: Accumulated depreciation (20,214) Trademarks & Other Tangibles 32,620 Goodwill 57,562 Deferred Income Tax 1,140 Other non-current assets 117,524 Total non-current assets 117,524 LIABILITIES & STOCKHOLDERS' EQUITY: *** Current liabilities: 8,022 Debts, due within a year 9,981 Accrued and other current liabilities 27,293 Non-current liabilities: 27,293 Non-current liabilities: 22,033 Deferred Income Taxes 11,070 Other non-current bilgations 9,960 Total non-current liabilities	Name: P&G	As Of: June 30, 2011	
Current assets: 2,768 Cash & Cash Equivalents 2,768 Accounts Receivables 6,275 Inventories 7,379 Prepaid Expenses & other current assets 4,408 Total current assets 20,830 Non-current assets: *** Property, plants & equipment 41,507 Less: Accumulated depreciation (20,214) Trademarks & Other Tangibles 32,620 Goodwill 57,562 Deferred Income Tax 1,140 Other non-current assets 4,909 Total non-current assets 117,524 Total assets 138,354 LIABILITIES & STOCKHOLDERS' EQUITY: ** Current liabilities: 8,022 Debts, due within a year 9,981 Accounts Payable 8,022 Debts, due within a year 9,990 Total current liabilities: 27,293 Non-current liabilities: 20,033 Debts, due more than a year 22,033 Deferred Income Taxes 11,070 Other non-current obligations	Particulars	Amount	
Current assets: 2,768 Cash & Cash Equivalents 2,768 Accounts Receivables 6,275 Inventories 7,379 Prepaid Expenses & other current assets 4,408 Total current assets 20,830 Non-current assets: *** Property, plants & equipment 41,507 Less: Accumulated depreciation (20,214) Trademarks & Other Tangibles 32,620 Goodwill 57,562 Deferred Income Tax 1,140 Other non-current assets 4,909 Total non-current assets 117,524 Total assets 138,354 LIABILITIES & STOCKHOLDERS' EQUITY: ** Current liabilities: 8,022 Debts, due within a year 9,981 Accrued and other current liabilities 27,293 Non-current liabilities: ** Debts, due more than a year 22,033 Deferred Income Taxes 11,070 Other non-current obligations 9,957	ASSETS:		
Cash & Cash Equivalents 2,768 Accounts Receivables 6,275 Inventories 7,379 Prepaid Expenses & other current assets 4,408 Total current assets 20,830 Non-current assets: *** Property, plants & equipment 41,507 Less: Accumulated depreciation (20,214) Trademarks & Other Tangibles 32,620 Goodwill 57,562 Deferred Income Tax 1,140 Other non-current assets 4,909 Total non-current assets 117,524 Total assets 138,354 LIABILITIES & STOCKHOLDERS' EQUITY: *** Current liabilities: 8,022 Debts, due within a year 9,981 Accrued and other current liabilities 9,290 Total current liabilities: 27,293 Non-current liabilities: 20,033 Debts, due more than a year 22,033 Deferred Income Taxes 11,070 Other non-current obligations 9,9957			
Accounts Receivables 6,275 Inventories 7,379 Prepaid Expenses & other current assets 4,408 Total current assets 20,830 Non-current assets: *** Property, plants & equipment 41,507 Less: Accumulated depreciation (20,214) Trademarks & Other Tangibles 32,620 Goodwill 57,562 Deferred Income Tax 1,140 Other non-current assets 4,909 Total non-current assets 117,524 Total assets 138,354 LIABILITIES & STOCKHOLDERS' EQUITY: ** Current liabilities: 8,022 Debts, due within a year 9,981 Accrued and other current liabilities 27,293 Non-current liabilities: ** Debts, due more than a year 22,033 Deferred Income Taxes 11,070 Other non-current obligations 9,957	Cash & Cash Equivalents	2.768	
Inventories 7,379 Prepaid Expenses & other current assets 4,408 Total current assets 20,830 Non-current assets: Property, plants & equipment 41,507 Less: Accumulated depreciation (20,214) Trademarks & Other Tangibles 32,620 Goodwill 57,562 Deferred Income Tax 1,140 Other non-current assets 4,909 Total non-current assets 117,524 Total assets 138,354 LIABILITIES & STOCKHOLDERS' EQUITY: Current liabilities: Accounts Payable 8,022 Debts, due within a year 9,981 Accrued and other current liabilities 9,290 Total current liabilities: 27,293 Non-current liabilities: 22,033 Deferred Income Taxes 11,070 Other non-current obligations 9,957	·	-	
Prepaid Expenses & other current assets 4,408 Total current assets 20,830 Non-current assets: Property, plants & equipment 41,507 Less: Accumulated depreciation (20,214) Trademarks & Other Tangibles 32,620 Goodwill 57,562 Deferred Income Tax 1,140 Other non-current assets 4,909 Total non-current assets 117,524 Total assets 138,354 LIABILITIES & STOCKHOLDERS' EQUITY: Current liabilities: Accounts Payable 8,022 Debts, due within a year 9,981 Accrued and other current liabilities 9,290 Total current liabilities: 27,293 Non-current liabilities: 22,033 Debts, due more than a year 22,033 Deferred Income Taxes 11,070 Other non-current obligations 9,957			
Total current assets 20,830 Non-current assets:		-	
Property, plants & equipment Less: Accumulated depreciation (20,214) Trademarks & Other Tangibles Goodwill Deferred Income Tax 1,140 Other non-current assets 117,524 Total assets 118,354 LIABILITIES & STOCKHOLDERS' EQUITY: Current liabilities: Accounts Payable Beta, due within a year Accrued and other current liabilities Debts, due more than a year Deferred Income Taxes Deferred Income Taxes Other non-current obligations 9,957	<u> </u>	· · · · · · · · · · · · · · · · · · ·	
Property, plants & equipment Less: Accumulated depreciation (20,214) Trademarks & Other Tangibles Goodwill Deferred Income Tax 1,140 Other non-current assets 117,524 Total assets 118,354 LIABILITIES & STOCKHOLDERS' EQUITY: Current liabilities: Accounts Payable Beta, due within a year Accrued and other current liabilities Debts, due more than a year Deferred Income Taxes Deferred Income Taxes Other non-current obligations 9,957			
Less: Accumulated depreciation Trademarks & Other Tangibles Goodwill Formulated Income Tax Deferred Income Tax Other non-current assets Total assets Total assets LIABILITIES & STOCKHOLDERS' EQUITY: Current liabilities: Accounts Payable Accrued and other current liabilities Accrued and other current liabilities Accruent liabilities: Debts, due more than a year Deferred Income Taxes Deferred Income Taxes Other non-current obligations 9,957	Non-current assets:		
Trademarks & Other Tangibles Goodwill Foreign Strick Deferred Income Tax Other non-current assets Total assets LIABILITIES & STOCKHOLDERS' EQUITY: Current liabilities: Accounts Payable Debts, due within a year Accrued and other current liabilities Non-current liabilities: Debts, due more than a year Deferred Income Taxes Other non-current obligations 32,620 57,562 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,140 1,	Property, plants & equipment	41,507	
Goodwill57,562Deferred Income Tax1,140Other non-current assets4,909Total non-current assets117,524Total assets138,354LIABILITIES & STOCKHOLDERS' EQUITY: Current liabilities: Accounts Payable Debts, due within a year Accrued and other current liabilities8,022 9,981 9,290Total current liabilities27,293Non-current liabilities: Debts, due more than a year Deferred Income Taxes Other non-current obligations22,033 11,070 9,957	Less: Accumulated depreciation	(20,214)	
Deferred Income Tax Other non-current assets Total non-current assets 117,524 Total assets 138,354 LIABILITIES & STOCKHOLDERS' EQUITY: Current liabilities: Accounts Payable Accrued and other current liabilities Accrued and other current liabilities 9,290 Total current liabilities: Debts, due more than a year Debts, due more than a year Deferred Income Taxes Other non-current obligations 9,957	Trademarks & Other Tangibles	32,620	
Other non-current assets4,909Total non-current assets117,524Total assets138,354LIABILITIES & STOCKHOLDERS' EQUITY: Current liabilities: Accounts Payable Debts, due within a year Accrued and other current liabilities8,022 9,981 9,981 Accrued and other current liabilitiesTotal current liabilities: Debts, due more than a year Debts, due more than a year Other non-current obligations22,033 11,070 9,957	Goodwill	57,562	
Total non-current assets117,524Total assets138,354LIABILITIES & STOCKHOLDERS' EQUITY:Current liabilities:Accounts Payable8,022Debts, due within a year9,981Accrued and other current liabilities9,290Total current liabilitiesNon-current liabilities:27,293Non-current liabilities:22,033Debts, due more than a year22,033Deferred Income Taxes11,070Other non-current obligations9,957	Deferred Income Tax	1,140	
Total assets 138,354 LIABILITIES & STOCKHOLDERS' EQUITY: Current liabilities: Accounts Payable 8,022 Debts, due within a year 9,981 Accrued and other current liabilities 9,290 Total current liabilities 27,293 Non-current liabilities: Debts, due more than a year 22,033 Deferred Income Taxes 11,070 Other non-current obligations 9,957	Other non-current assets	4,909	
LIABILITIES & STOCKHOLDERS' EQUITY: Current liabilities: Accounts Payable 8,022 Debts, due within a year 9,981 Accrued and other current liabilities 9,290 Total current liabilities 27,293 Non-current liabilities: Debts, due more than a year 22,033 Deferred Income Taxes 11,070 Other non-current obligations 9,957	Total non-current assets	117,524	
Current liabilities: Accounts Payable 8,022 Debts, due within a year 9,981 Accrued and other current liabilities 9,290 Total current liabilities 27,293 Non-current liabilities: Debts, due more than a year 22,033 Deferred Income Taxes 11,070 Other non-current obligations 9,957	Total assets	138,354	
Current liabilities: Accounts Payable 8,022 Debts, due within a year 9,981 Accrued and other current liabilities 9,290 Total current liabilities 27,293 Non-current liabilities: Debts, due more than a year 22,033 Deferred Income Taxes 11,070 Other non-current obligations 9,957	LIABILITIES & STOCKHOLDERS' EOUITY:		
Debts, due within a year 9,981 Accrued and other current liabilities 9,290 Total current liabilities 27,293 Non-current liabilities: Debts, due more than a year 22,033 Deferred Income Taxes 11,070 Other non-current obligations 9,957	_		
Debts, due within a year 9,981 Accrued and other current liabilities 9,290 Total current liabilities 27,293 Non-current liabilities: Debts, due more than a year 22,033 Deferred Income Taxes 11,070 Other non-current obligations 9,957	Accounts Pavable	8.022	
Accrued and other current liabilities 9,290 Total current liabilities 27,293 Non-current liabilities: Debts, due more than a year 22,033 Deferred Income Taxes 11,070 Other non-current obligations 9,957		-	
Non-current liabilities:27,293Debts, due more than a year22,033Deferred Income Taxes11,070Other non-current obligations9,957	•	· · · · · · · · · · · · · · · · · · ·	
Debts, due more than a year22,033Deferred Income Taxes11,070Other non-current obligations9,957	Total current liabilities	· · · · · · · · · · · · · · · · · · ·	
Debts, due more than a year22,033Deferred Income Taxes11,070Other non-current obligations9,957	Non-current liabilities:		
Deferred Income Taxes 11,070 Other non-current obligations 9,957		22 033	
Other non-current obligations 9,957		•	
-		•	
	Total non-current liabilities	43,060	

Total liabilities & stockholders' equity	138.354
Total stockholders' equity	68,001
Accumulated other comprehensive income (loss)	(2,054)
Less: Reserves for ESOP debt retirement	(1,357)
Less: Treasury Stock	(67,278)
Retained Earnings	70,682
Non-controlling Interest	361
Additional Paid in Capital	62,405
Common stock, \$1 per stock	4,008
Preferred Stock	1,234
Stockholders' Equity:	