

**Solution:**

The multi-step income statement is prepared as follows:

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**STATEMENT OF INCOME**  
(Amount in millions of \$)

**Name: Sears Holding Corporation**

<b>Particulars</b>	<b>Amount</b>
<b>Net Revenue</b>	<b>41,567</b>
<b>Cost of Goods Sold:</b>	
Net Purchase	30,422
Inventory, Jan 29, 2011	8,951
Cost of Goods Available for Sale	<u>39,373</u>
Deduct: Inventory, Jan 28, 2012	(8,407)
<b>Net Cost of Goods Sold</b>	<b>30,966</b>
<b>Gross Profit (Loss)</b>	<b>10,601</b>
<b>Operating Expenses:</b>	
Selling & administrative expenses	10,664
Depreciation & amortization	853
Other operating expenses	585
<b>Net Operating Expenses</b>	<b>12,102</b>
<b>Net Operating Income (Loss)</b>	<b>(1,501)</b>
<b>Other Revenue (Expenses):</b>	
Interests	(289)
Other Income	39
<b>Net Income Before Tax</b>	<b>(1,751)</b>
Deduct: Income Taxes	(1,369)
<b>Net Earnings (Loss)</b>	<b>(3,120)</b>