

Solution:

The income statement is prepared below, with the changes in retained earnings also included in it.

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

Name: General Mills, Inc.

As Of: Fiscal 2011

Particulars	Amounts
INCOME:	
Revenues	14,880.2
Cost of Sales	(8,926.7)
Net Operating Income (Loss)	5,953.5
Other revenues (expenses):	
Sundry Expenses	(3,434.1)
Total other revenues (expenses)	(3,434.1)
Income Before Tax (Loss)	2,519.4
Less: Provision for Income Tax	(721.1)
Net Income (Loss)	1,798.3
RETAINED EARNINGS:	
Retained Earnings as of June 1, 2010	8,122.4
Add: Net Income	1,798.3
Less: Dividends Declared	(729.4)
Retained Earnings as of May 29, 2011	9,191.3