CHAPTER 6 The Operating Cycle and Merchandising Operations

**Merchandising Income Statement: Missing Data, Multiple Years**

**E 12.** Determine the missing data for each letter in the following three income

statements for Sampson Paper Company (in thousands):

**2011 2010 2009**

Sales $ **p** $ **h** $572

Sales returns and allowances 48 38 **a**

Net sales **q** 634 **b**

Merchandise inventory, beginning **r i** 76

Purchases 384 338 **c**

Purchases returns and allowances 62 **j** 34

Freight-in **s** 58 44

Net cost of purchases 378 **k d**

Cost of goods available for sale 444 424 364

Merchandise inventory, ending 78 **l** 84

Cost of goods sold **t** 358 **e**

Gross margin 284 **m** 252

Selling expenses **u** 156 **f**

General and administrative expenses 78 **n**  66

Total operating expenses 260 256 **g**

Net income **v o** 54

Taken from Principles of Accounting 11e, Chapter 6