

AE5-9

In its income statement for the year ended December 31, 2008, Pele Company reported the following condensed data.

Administrative expenses	\$437,800	Selling expenses	\$492,300
Cost of goods sold	1,294,000	Loss on sale of equipment	10,400
Interest expense	71,400	Net sales	2,313,000
Interest revenue	31,400		

Instructions

(a) Prepare a multiple-step income statement. *(List multiple entries in descending order of amount.)*

**PELE COMPANY
Income Statement
For the Year Ended December 31, 2008**

Net sales		\$	
Gross profit			
Operating expenses			
		\$	
Total operating expenses			
Income from operations			
Other revenues and gains			
Other expenses and losses			
	\$		
Net income		\$	

(b) Prepare a single-step income statement. *(List multiple entries in descending order of amount.)*

**PELE COMPANY
Income Statement
For the Year Ended December 31, 2008**

Revenues		\$	
Total revenues			
Expenses			
	\$		
Total expenses			
Net income		\$	