Schmitt, Inc., a retail store, has the following data for the year ended December 31, 200:

 Sales …………………………….. $90,000
Extraordinary Loss due o hurricane…………. 5,000
Income Tax Tax Saving on Extraordinary Loss (1,100)
Cost of Goods sold ……………… 55,000
Interest Expense ……………………… 1,000
Seling expense ……………………… 11,000
Income Tax Expense on Operations ……… 4,400
General and Administrative Expenses ……… 3,000
Shares of Capital stock outstanding, . …………. 10,000

Instructions:
Develop a multi-step income statement for Schmitt,Inc. for the year ended December 31, 2007

Marco,Inc. Is a calendar-year Corporation. Its financial statement for the 2000 and 2001 contained error as follows:

 2000 2001
Ending inventory 6,000 Understated 10,000 overstated
Depreciation Expense 11,000 Overstated 7,000 Overstated

(ignore Taxes)

Assuming that none of the errors was detected or corrected, by what amount will retained earnings at December 31, 2001 be overstated pr understated?

At Ivan company, events and transactions during 2001 included the following. The Tax rate for all items is 30%.

1. Depreciation for 1999 was found to be understated by 30,000.

2. A strike by the employees of a supplier resulted in a loss of $20,000

3. The Inventory at December 31, 1999 was overstated by 40,000.

4. A flood destroyed a building that had a book value of $400,000.

 Floods are very uncommon in that area.

The Event of these events and transactions on 2001 net income net of tax would be?

If plant assets of a manufacturing company are sold at a gain of $900,000 less related taxes of $270,000, and the gain is not considered unusual or infrequent, the income statement for for the periodd would disclosed:

a. A gain of 00,000 and an increase in income tax expense of $270,000.

b. Operating income net of applicable taxes, $630,000

c. a prior period adjustment net of applicable taxes, 630,000.

d. an extraordinary item net of applicable taxes, $630,000

Gross billings for merchandise sold by Pye Company to its customers last year amounted to $12,720.000; sales returns and allowances were $270,000, Sales discount were $175,000, and freight-out was $140,000. Net Sales last year for Pye company were