**22**

**Presented below is financial information of the Mickey Corporation for 2008**

|  |  |
| --- | --- |
| Beginning Retained Earnings, 1/1/08 | $950,000 |
| Gain on the Sale of Investments (normal recurring) | $110,000 |
| Sales for the Year | $30,000,000 |
| Loss Due to Flood Damage (unusual & infrequent) | $125,000\* |
| Cost of Goods Sold | $21,000,000 |
| Loss on Disposal of Retail Division | $450,000 |
| Interest Revenue | $70,000 |
| Loss on Operations of Retail Division | $460,000 |
| Selling and Administrative Expenses | 5,500,000 |
| Dividends Declared on Common Stock | $230,000 |
| Write-Off of Goodwill | $520,000 |
| Dividends Declared on Preferred Stock | $80,000 |
| Federal Income Tax on Operations for 2008 | 1,600,000 |

**\*net of tax  
  
Mickey Corporation decided to discontinue its retail operations and to retain its manufacturing operations. On August 15, Mickey sold the retail operations to Schoen Company. During 2008, there were 250,000 shares of common stock outstanding all year.  
  
Directions(20 Points): Prepare a multiple-step income statement for the year 2008 on a separate Excel spreadsheet as directed in the Problem Set 1 directions.**