Balance Sheet
Statement Stockholders Equity
income Statement - Worksheet
→ Due 2/7
book transaction
post closing

From an analysis of the company's 2010 bank account and related vouchers and invoices you have determined the following:

Statement Cash flows due 4/27

Cash receipts:

Sales and other collections from customers	331,200
Proceeds from sale of equipment	5,000
Issue of 10,000 $0.25 par shares	12,500
Interest income	1,200
Total cash receipts	349,900

→ Spreadsheet format

Financial Statements

Included in cash collections is a deposit of $4,800 made by a customer for a job to be performed in 2011. The jobs relating to the 2009 deposits in advance were completed in 2010.

The proceeds from sale of equipment arose from the sale of a piece of equipment on December 31, 2010. The original cost of the equipment was $6,000, and the accumulated depreciation on this equipment at the start of the year was $3,000.

Cash disbursements:

Payments relating to purchase of merchandise	163,000
Extension to building	11,000
Payment for purchases of equipment	10,000
Payment of salaries and wages including payroll taxes	88,600
Payment of utilities	4,600
Payment of telephone	3,400
Payment of insurance bills	1,500
Payment of interest and principal on bank loan	14,600
Van payments	11,000
Payment of dividend to shareholders	11,000
Payment of income taxes including tax deposits	13,400
Total disbursements	332,100

Cash purchases of merchandise are after deduction of $2,000 of cash discounts.

You also have determined the following facts:

1. At December 31, 2010 the outstanding accounts receivable totaled $30,000. In prior years, uncollected accounts receivable have traditionally been small and the company used the direct write-off method for bad debt. However, Shoebox has started to offer more credit in an attempt to bring in corporate business. At December 31, 2010, 10% of the outstanding accounts receivable are considered to be doubtful as to collectibility.

2. Merchandise inventory at December 31, 2010 was counted and valued at cost of $51,500.

3. The insurance policy paid during the year covered the period from September 1, 2010 to August 30, 2011. The prior year payment covered the earlier part of the year.

4. Accounts payable at December 31, 2009 and 2010 were $25,400 and $21,200, respectively. An analysis of these accounts payable balances revealed the following: