Income statement data for Gimbels Images Company for the years ended December 31, 2010 and 2009 are as follows:

Sales 196,000 160,000

Cost of Goods Sold 170,100 140,000

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Gross Profit 25,000 20,000

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Selling Expenses 12,200 10,000

Administrative expenses 9,750 8,000

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Total Operating expenses 21,950 18,000

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Income before income tax 3,950 2,000

Income tax expense 2,000 1,000

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Net Income 1,950 1,000

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1. Prepare a comparative income statement with horizontal analysis, indicating the increase (decrease) for 2010 when compared with 2009. Round to one decimal place
2. What conclusion can be drawn from the horizontal analysis?