**Questions:**

New York Inc. began operations of its construction division on October, 2009, and entered into contracts for two separate projects. The Manhattan project contract price was $600,000 and provided for penalties of $10,000 per week for late completion. Although during 2010 the Manhattan project had been on schedule for timely completion, it was completed two weeks late in August 2011. The Queens project original contract price was $800,000. Change orders during 2011 added $10,000 to the original contract price.

The following data pertains to the separate long-term construction projects in progress

**Manhattan Project Queens Project**

As of Septemeber 30,2010

Costs incurred to date $320,000 $360,000

Estimated Cost to complete 80,000 450,000

Billings 340,000 440,000

Cash Collections 275,000 365,000

**Manhattan Project Queens Project**

As September 30, 2011

Costs incurred to date 450,000 720,000

Estimated costs to complete - 180,000

Billings 560,000 710,000

Cash Collections 560,000 625,000

New York Inc. accounts for its long-term construction contracts using the percentage of completion method for financial reporting purposes and the completed contract method for income tax purposes. Enacted tax rates are 25% for 2010 and 30% for 2011 New York Inc.'s income before income taxes from all divisions, before considering revenues from long-term construction projects, was $300,000 for the year ended September 30, 2010. There were no other temporary or permanent differences.

**Requirements:**

**A**. Prepare a schedule showing New York's balances in the following accounts at September 30, 2010

1 Accounts Receivable

2 Inventory/Current Liability for Manhattan Project

3 Inventory/Current Liability for Queens Project

**B.** Prepare a schedule showing New York's Gross Profit(Loss) recognized for the years ended September 30, 2010 and 2011,

under the percentage completion method.

**C.** Prepare a schedule reconciling New York's financial statement income and taxable income for the year ended September 30, 2010 and

Please showing all components of taxes payable and current and deferred income tax expense for the year then ended. Also please,do not consider estimated tax requirements