

Income Statement

Sales Revenue	\$77 250
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Advertising expense	\$3 000
Cost of Goods Sold	\$45 000
Miscellaneous expense	\$8 000
Wages expense	\$9 000
Rent expense	\$24 000
Depreciation expense	\$250

TOTAL EXPENSES	\$89 250
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Net Income	-\$12 000
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Steps:

- 1 Write Sales Revenue account and its value
- 2 Write all the expenses and its values (under a different column)
- 3 Calculate Total Expenses (write it under the left column)
- 4 Calculate Net Income (Revenues - Expenses)

Where to get the data:

From a Trial Balance:

Expenses and Revenue
Sales Revenue and below
Excluding Cash Dividends

From a T-accounts:

Expenses and Revenue
Excluding Cash Dividends

Preview from Notesale.co.uk
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