**P1-50B**

**Requirement a**

|  |  |  |
| --- | --- | --- |
| PHOTO GALLERY | | |
| Income Statement | | |
| Year Ended December 31, 2014 | | |
|  |  |  |
| Revenues: |  |  |
| Service Revenue |  | $ 78,000 |
| Expenses: |  |  |
| Salaries Expense | $ 21,000 |  |
| Insurance Expense | 9,000 |  |
| Advertising Expense | 2,000 |  |
| Total Expenses |  | 32,000 |
| Net Income |  | $ 46,000 |
|  |  |  |

**Requirement b**

|  |  |
| --- | --- |
| PHOTO GALLERY | |
| Statement of Retained Earnings | |
| Year Ended December 31, 2014 | |
|  |  |
| Retained Earnings, January 1, 2014 | $ 17,000 |
| Net income for the year | 46,000 |
|  | 63,000 |
| Dividends | (14,000) |
| Retained Earnings, December 31,2014 | $ 49,000 |
|  |  |

**Requirement c**

|  |  |  |  |
| --- | --- | --- | --- |
| PHOTO GALLERY | | | |
| Balance Sheet | | | |
| December 31, 2014 | | | |
| Assets | | Liabilities | |
| Cash | $ 26,000 | Accounts Payable | $ 4,000 |
| Accounts Receivable | 6,000 | Notes Payable | 14,000 |
| Equipment | 70,000 | Total Liabilities | 18,000 |
|  |  | Stockholders’ Equity | |
|  |  | Common Stock | 35,000 |
|  |  | Retained Earnings | 49,000 |
|  |  | Total Stockholders’ Equity | 84,000 |
| Total Assets | $ 102,000 | Total Liabilities And Stockholders’  Equity | $ 102,000 |
|  |  |  |  |

**P1-51B**

|  |  |  |  |
| --- | --- | --- | --- |
| OUTDOOR LIFE LANDSCAPING | | | |
| Balance Sheet | | | |
| July 31, 2014 | | | |
|  | |  | |
| Assets | | Liabilities | |
| Cash | $ 5,000 | Accounts Payable | $ 2,800 |
| Accounts Receivable | 2,300 | Notes Payable | 26,400 |
| Office Supplies | 800 | Total Liabilities | 29,200 |
| Office Furniture | 5,200 |  |  |
| Land | 28,400 | Stockholders’ Equity | |
|  |  | Common Stock | 2,000 |
|  |  | Retained Earnings | 10,500 |
|  |  | Total Stockholders’ Equity | 12,500 |
| Total Assets | $ 41,700 | Total Liabilities and Stockholders’  Equity | $ 41,700 |
|  |  |  |  |