**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 |
|  |  |  |  |