

VIRTUAL TEXT BOOK

What the Completed Multi-Step Looks Like

MULTI STEP INCOME STATEMENT

for the Month Ended June 30
(\$ in Millions)

Sales			200
Sales Returns & Allowances		9	
Sales Discounts		<u>6</u>	
Net Sales			<u>15</u> 185
Cost of Goods Sold			
Beginning Inventory		71	
Purchases	90		
Purchases Returns & Allowances	3		
Purchase Discounts	<u>6</u>		
Net Purchases		<u>9</u>	
Freight In		81	
Cost of Goods Purchased		<u>16</u>	
Cost of Goods Available for Sale			<u>97</u> 168
Less: Ending Inventory			<u>65</u>
Cost of Goods Sold			<u>103</u>
Gross Profit			82
Selling Expenses		31	
General & Administration Expenses		<u>21</u>	
Total Selling, General & Administrative			<u>52</u>
Net Income			<u>\$30</u>

**THE BOTTOM
LINE
TELLS
YOU IF YOU
MADE MONEY
OR NOT**