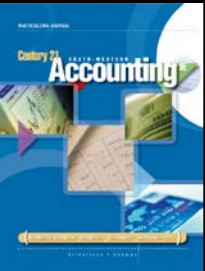


LESSON 7-1

Preparing an Income Statement

INCOME STATEMENT INFORMATION ON A WORK SHEET

ACCOUNT TITLE	5		6		7		8	
	INCOME STATEMENT				BALANCE SHEET			
	DEBIT		CREDIT		DEBIT		CREDIT	
12 <i>Sales</i>				356500				12
13 <i>Advertising Expense</i>	21300							13
14 <i>Insurance Expense</i>	10000							14
15 <i>Miscellaneous Expense</i>	2800							15
16 <i>Rent Expense</i>	30000							16
17 <i>Supplies Expense</i>	71500							17
18 <i>Utilities Expense</i>	11000							18
19	146600		356500					19
20 <i>Net Income</i>	209900							20
21	356500		356500					21
22								22



HEADING OF AN INCOME STATEMENT

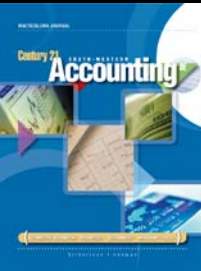
TechKnow Consulting **1**

Income Statement **2**

For Month Ended August 31, 20-- **3**

1. Center the name of the company on the first line.
2. Center the name of the report on the second line.
3. Center the date of the report on the third line.

REVENUE, EXPENSES, AND NET INCOME SECTIONS OF AN INCOME STATEMENT



					% OF SALES
Revenue	1	Revenue:			
		Sales	2	Account title	3 5 6 5 00
Expenses	4	Expenses:			
		Advertising Expense		2 1 3 00	
		Insurance Expense		1 0 0 00	
		Miscellaneous Expense		2 8 00	
		Rent Expense		3 0 0 00	
		Supplies Expense		7 1 5 00	
		Utilities Expense		1 1 0 00	
Account titles	5				
Total expenses	8	Total Expenses		1 4 6 6 00	
		Net Income	12	2 0 9 9 00	

3 Revenue amount

6 Expense amount

9 Total of expenses

11 Single line

13 Record net income

10 Calculate net income

14 Double lines

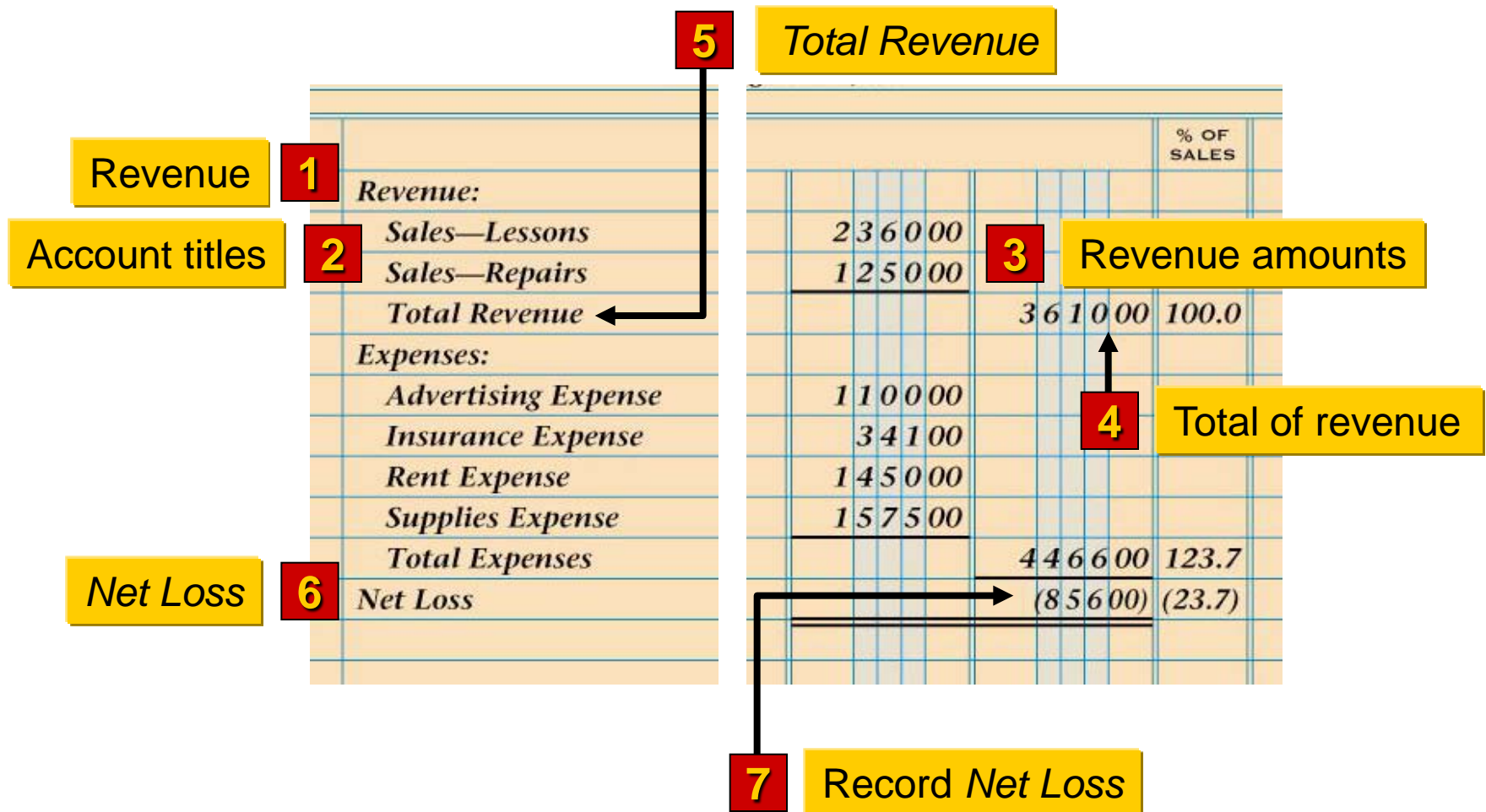
COMPONENT PERCENTAGE ANALYSIS OF AN INCOME STATEMENT

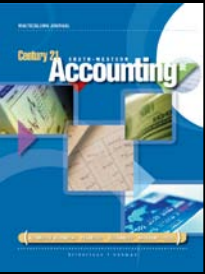
TechKnow Consulting
Income Statement
For Month Ended August 31, 20--

		% OF SALES
Revenue:		
<i>Sales</i>	3 5 6 5 0 0	100.0
Expenses:		
<i>Advertising Expense</i>	2 1 3 0 0	
<i>Insurance Expense</i>	1 0 0 0 0	
<i>Miscellaneous Expense</i>	2 8 0 0	
<i>Rent Expense</i>	3 0 0 0 0	
<i>Supplies Expense</i>	7 1 5 0 0	
<i>Utilities Expense</i>	1 1 0 0 0	
Total Expenses	1 4 6 6 0 0	41.1
Net Income	2 0 9 9 0 0	58.9

INCOME STATEMENT WITH TWO SOURCES OF REVENUE AND A NET LOSS

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TERMS REVIEW

- stakeholders
- component percentage