



Farina's Gourmet Candy Stand



Directions: Farina’s Candy Stand is in its first year of operation at the Festival Flea Market. Since the Farinas anticipate success with their candy business, they setup as a corporation. Right now they only sell Gourmet Candy—the latest fade among candy enthusiasts. Work with at least two other students to complete the following activities.



Part I:

- Calculate the value of the beginning inventory by counting the candy and completing the appropriate chart.
- Calculate the value of Purchases made during the period by counting the candy and completing the appropriate chart, which is attached.
- Calculate the value of the ending inventory by counting the candy and completing the appropriate chart.
- Calculate the cost the merchandise sold.

Calculate Cost of Merchandise Sold:

Each piece of candy represents one case. The wholesale prices per case are listed in the tables below



Beginning Inventory	\$ _____
Plus Purchases	\$ _____
Total of Merchandise Available for Sale	\$ _____
Less Ending Inventory	\$ _____
Cost of Merchandise Sold	\$ _____

Part II

Using the data below, prepare an Income Statement for **Farina’s Candy Stand** for the monthly fiscal period ended October 31, 20-- (calculate component percentages). Remember, this is a corporation so it will be necessary to calculate the federal income tax owed on net income using the chart in the textbook.

Gourmet Candy Sales	\$6,350
Advertising Expense	\$ 78
Rent Expense	\$520
Miscellaneous Expense	\$120
Federal Incomes Taxes	_____



Beginning Inventory October 1				
Quantity	Product		Cost/Case	Total Cost
	Twix	X	\$20	=
	Peanut M&M	X	\$29	=
	Plain M&M	X	\$26	=
	Snickers	X	\$19	=
	3 Musketeers	X	\$18	=
	MilkWay	X	\$21	
Value of October 1, Merchandise Inventory				\$

Net purchases during the monthly fiscal period.				
Quantity	Product		Cost/Unit	Total Cost
	Twix	X	\$20	=
	Peanut M&M	X	\$29	=
	Plain M&M	X	\$26	=
	Snickers	X	\$19	=
	3 Musketeers	X	\$18	=
	MilkWay	X	\$21	
Total Net Purchases				\$

Ending Inventory October 31				
Quantity	Product		Cost/Unit	Total Cost
	Twix	X	\$20	=
	Peanut M&M	X	\$29	=
	Plain M&M	X	\$26	=
	Snickers	X	\$19	=
	3 Musketeers	X	\$18	=
	MilkWay	X	\$21	
Value of October 31, Merchandise Inventory				\$