

****DIRECTIONS:** Write on the statement under Bayou Bandits whether it is the **Income Statement or the Balance Sheet**.

.Fill in the **missing numbers** on the Income Statement and Balance Sheet.

BAYOU BANDITS	
**	
January 1, 2008 to December 31,2009	
Gross Sales/Revenue	346,400
Less returns	1,000
Net Sales/Revenue	
Cost of Good Sold	152,000
Gross Income	
Expenses:	
Salaries	68,250
Rent	23,000
Office Supplies	2,250
Insurance	3,900
Advertising	8,650
Telephone	2,700
Travel and Entertainment	2,550
Dues & Subscriptions	1,100
Interest Paid	2,140
Repairs & Maintenance	1,250
Taxes & Licenses	11,700
Total Expenses	
Net Income after Operations	
Interest	500
Net Income before Taxes	
Taxes	400
Net Income after Taxes	

FINANCIAL STATEMENTS

****DIRECTIONS:** Write on the statement under Bayou Bandits whether it is the **Income Statement** or the **Balance Sheet**.

Fill in the **missing numbers** on the Income Statement and Balance Sheet.

BAYOU BANDITS

**

For Period Ending December 31, 2009

Assets		Liabilities & Equity	
Current Assets:		Current Liabilities:	
Inventory	1,256.00	Account Payable	500
Savings Account	8,600.00	Notes Payable	700
Petty Cash	100.00	Total Current Liabilities	
Total Current Assets			
		Long Term Liabilities:	
Fixed Assets:		Bank Line of Credit	33,800.00
Vehicles	11,385.00	Mortgages Due	45,554.00
Buildings	50,483.25	Total Long Term Liabilities	
Equipment	43,249.04		
Furnishings	13,317.67	Total Liabilities	
Stocks & Bonds	16,588.00		
Total Fixed Assets		Equity:	
		Capital	64,424.96
Total Assets		Total Equity	
		Total Liabilities and Equity	

CHAPTER 20 FINANCIAL MANAGEMENT TEST

****DIRECTIONS:** Put on the statement whether it is the Income Statement or the Balance Sheet. Fill in the missing numbers on the Income Statement and Balance Sheet.

COMPANY <u>Income Statement</u> January 1, 2008 to December 31, 2009		
Gross Sales/Revenue	346,400	
Less returns	1,000	
Net Sales		345,400
Cost of Good Sold	152,000	
Gross Profit		193,400
Expenses:		
Salaries	68,250	
Rent	23,000	
Office Supplies	2,250	
Insurance	3,900	
Advertising	8,650	
Telephone	2,700	
Travel and Entertainment	2,550	
Dues & Subscriptions	1,100	
Interest Paid	2,140	
Repairs & Maintenance	1,250	
Taxes & Licenses	11,700	
Total Expenses		127,490
Net Income after Operations		65,910
Interest	500	
Net Income before Taxes		65,410
Taxes	400	
Net Income after Taxes		65,010

<p style="text-align: center;">COMPANY Balance Sheet For Period Ending December 31, 2009</p>		
ASSETS		
Current Assets:		
Inventory	1,256.00	
Savings Account	8,600.00	
Petty Cash	100.00	
Total Current Assets		9,956.00
Fixed Assets:		
Vehicles	11,385.00	
Buildings	50,483.25	
Equipment	43,249.04	
Furnishings	13,317.67	
Stocks & Bonds	16,588.00	
Total Fixed Assets		135022.96
Total Assets		144,978.96
LIABILITIES		
Current Liabilities:		
Account Payable	500	
Notes Payable	700	
Total Current Liabilities		1200.00
Long Term Liabilities:		
Bank Line of Credit	33,800.00	
Mortgages Due	45,554.00	
Total Long Term Liabilities		79354.00
Total Liabilities		80554.00
EQUITY		
Equity:		
Capital	64,424.96	
Total Equity		64,424.96
Total Liabilities and Equity		144,978.96

***Calculate each of the ratios using the Income Statement and Balance sheet from above: Show the formula used, plug in the numbers, give the answer in the correct format and EXPLAIN WHAT THIS NUMBER MEANS.**

1. Net profit on sales=

EXPLAIN:

MATCHING

<u>L</u> 1. Balance Sheet	a. A business decides how much they want to spend on certain expenses
<u>D</u> 2. Gross Sales/ revenue	b. Ownership in the company
<u>O</u> 3. Long Term Liability	c. A negative number at the “bottom line” of I/S
<u>I</u> 4. Fixed Asset	d. Sales made before returns
<u>E</u> 5. Income Statement	e. Shows your company’s profit at the end of the year
<u>B</u> 6. Equity	f. The number of items it takes to neither earn profit nor loss
<u>G</u> 7. Current Asset	g. Items you own that can be liquidated quickly
<u>K</u> 8. Current Liability	h. If you own a fast food restaurant., the cost of buns, cheese, lettuce
<u>M</u> 9. Net Sales/ revenue	i. Items you own that would take longer than a year to liquidate
<u>H</u> 10. Cost of Goods Sold	j. Salary, Rent, Utilities
<u>C</u> 11. Net Loss	k. Debt due within a year
<u>J</u> 12. Expenses	l. Shows your company’s worth at that time
<u>N</u> 13. Net Income	m. The actual amount of cash from sales after returns
<u>F</u> 14. Break- Even Point	n. Profit
<u>A</u> 15. Budget	o. Debt due over a year

Which is the formula for break even point?

- Break Even Point** = Fixed Cost / Selling price - Variable Cost
- Break Even Point** = Selling Cost / Selling price - Fixed Cost
- Break Even Point** = Fixed Cost - Variable Cost / Selling price
- Break Even Point** = Fixed Cost / Variable Cost - Selling price

Dan owns a shoe store. His equipment cost him \$400/ month and his land \$600/ month. He also incurs cost for the electricity bill \$15 and materials \$10 per each item sold. He wants to sell his shoes at either \$60 or \$55. Calculate the break even point for each. What should Dan sell his shoes for to get his money back as quick as possible?

SHOW ALL WORK !!!! **Round up to the nearest whole number!