

R Social Media Agency			
Income Statement			
For the Month Ended October 31, 2014			
			% of Sales
Revenue:			
Sales		\$ 12,000	100%
Expenses:			
Salaries expense	\$ 6,000		
Advertising expense	1,500		
Rent Expense	900		
Insurance expense	100		
Interest expense	50		
Depreciation expense	40		
Total expenses		8,590	71.6%
Net Income		\$ 3,410	28.4%
R Social Media Agency			
Balance Sheet			
October 31, 2014			
<u>Assets</u>			
Cash		\$ 14,800	
Accounts receivable		400	
Supplies		1,000	
Prepaid insurance		750	
Office equipment	\$ 5,000		
Less: Accumulated depreciation	40	4,960	
Total assets		\$ 21,910	
<u>Liabilities and Owner's Equity</u>			
Liabilities			
Notes payable		4,000	
Accounts payable		2,500	
Interest payable		50	
Salaries payable		3,000	
Total liabilities		9,550	
Owner's equity			
Sally Reginald, Capital		12,360	
Total liabilities and owner's equity		\$ 21,910	
Grader Note 1: Varied set-ups are acceptable; for example, balance sheets are often in two columns--assets on one side and liabilities/equity on the other. Either set-up acceptable.			
Grader Note 2: For your convenience, bold numbers depict student-generated formulas.			