

I-01.06

Winterbotham Corporation provided the following listing of financial statement elements and their respective balances. The periodic amounts relate to the year ending December 31, 20X5, and the point-in-time amounts reflect balances as of December 31, 20X5, unless otherwise implied. Unfortunately, the company has been unable to locate its listing of assets, but all other information is incomplete, albeit in disarray.

Capital stock	\$ 250,000
Wage expense	40,000
Revenue	80,000
Rent expense	22,000
Beginning retained earnings	89,000
Utilities expense	11,000
Accounts payable	12,500
Dividends	2,500
Notes payable	50,000

- (a) Determine Winterbotham's net income for the year ending December 31, 20X5.
- (b) How much are total assets of the company, as of December 31, 20X5?
- (c) If you were told that assets included an accounts receivable of \$5,000 for services provided during 20X5, and that such transactions had been excluded in calculating the given "revenue" amount, how would this influence your answer to part (a) above?