

B-05.06

Partial information follows about net sales, net purchases, cost of goods sold, gross profit, total expenses, and net income for Slabaugh Company. Compute the missing values.

NET SALES

Sales	\$	800,000
Sales discounts		20,000
Sales returns and allowances		?
Net sales		735,000

NET PURCHASES

Purchases	\$	400,000
Freight-in		20,000
Purchases discounts		?
Purchases returns and allowances		2,500
Net purchases		413,500

COST OF GOODS SOLD

Beginning inventory	\$	85,400
Ending inventory		74,500
Cost of goods sold		?

GROSS PROFIT

Gross profit		?
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TOTAL EXPENSES

Rent	\$	36,000
Salaries		145,700
Utilities		12,300
Freight-out		?
Other		24,100
Total expenses		242,200

NET INCOME

Net income		?
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