

B-05.07

Pitkin Health Care Products provides the following alphabetic list of accounts and their respective balances. All accounts have normal balances, and income statement account balances are for the year ending December 31, 20X4. A physical count of merchandise inventory on hand at year end revealed a balance of \$277,390. Use this information to prepare a comprehensive income statement.

Accounts payable	\$ 66,399
Accounts receivable	82,890
Accumulated depreciation	166,554
Beginning inventory, Jan. 1	244,956
Capital stock	144,000
Cash	25,442
Depreciation expense	65,990
Dividends	12,000
Equipment	324,556
Freight-in	43,441
Freight-out	3,566
Insurance expense	8,700
Marketing expense	111,991
Purchase discounts	1,788
Purchase returns & allowances	6,665
Purchases	433,443
Rent expense	42,335
Retained earnings, Jan. 1	24,327
Salaries expense	233,998
Salaries payable	9,955
Sales	977,932
Sales discounts	8,817
Sales returns and allowances	13,998
Utilities expense	18,887