

On March 1, 200X Mary Parker opened a retail clothing outlet called MRS. BLUE. The only product she sells is blue jeans. She purchases the blue jeans from a wholesaler in Washington. The jeans cost Mary \$20.00 each (including shipping) and she sells them at retail (to you and I) for \$50.00 each. Mary and her accountant decided the company's year end will be December 31 of each year. Let's further assume, today's date is December 31, 200X (the company's year end). **Prepare an Income Statement for Mary.**

Mary presents her accountant with the following information.

1. From March 1 to December 31 (200X), the company sold 5,000 pair of blue jeans at \$50.00 each.
2. Each pair of jeans cost \$20.00 including shipping.
3. From March 1 to December 31, 200X Mary's company incurred the following:

<b>Marketing Expenses:</b>	
Advertising	\$ 25,000
Sales Promotions	\$ 20,000
Radio	\$ 5,000
<b>Administrative Expenses:</b>	
Wage Expense	\$ 50,000
Employer Mandatory Costs	\$ 5,000
Rent Expense	\$ 20,000
Telephone Expense	\$ 3,000
Utilities Expense	\$ 4,000
Office Supplies Expense	\$ 3,000
Registration of Company	\$ 600
Miscellaneous	\$ 400