

# Problem 5

Rajagopul Corporation is a newly formed company. Below are the first 10 transactions that Rajagopul encountered. Prepare an income statement, statement of retained earnings, and balance sheet immediately following each of these consecutive transactions.

1. Issued capital stock for \$100,000 cash.
2. Purchased building for \$240,000, making a \$40,000 down payment and signing a promissory note payable for the balance.
3. Paid Wages expense of \$10,000.
4. Provided Services to customers for \$30,000 cash.
5. Paid Utilities expense of \$4,000.
6. Reduced note payable with an \$16,000 cash payment (ignore interest costs).
7. Provided Services to customers on account, \$20,000.
8. Incurred Wages expense of \$6,000, to be paid in the future.
9. Collected \$8,000 on an outstanding account receivable.
10. Declared and paid dividend of \$12,000.

## Worksheet 5

<b>RAJAGOPUL CORPORATION</b>		
<b>Income Statement</b>		
<b>For the Month (through transaction #1)</b>		
<b>Revenues</b>		
Services to customers		\$ -
<b>Expenses</b>		
Wages	\$ -	
Utilities	-	-
<b>Net income</b>		<u>\$ -</u>

<b>RAJAGOPUL CORPORATION</b>		
<b>Statement of Retained Earnings</b>		
<b>For the Month (through transaction #1)</b>		
Beginning retained earnings		\$ -
Plus: Net income		-
		<u>\$ -</u>
Less: Dividends		-
Ending retained earnings		<u>\$ -</u>

<b>RAJAGOPUL CORPORATION</b> <b>Balance Sheet</b> <b>As of Completion of Transaction #1</b>		
<b>Assets</b>		
Cash		\$ -
Accounts receivable		-
Building		-
Total assets		\$ -
<b>Liabilities</b>		
Wages payable	\$ -	
Notes payable	-	
Total liabilities		\$ -
<b>Stockholders' equity</b>		
Capital stock	\$ -	
Retained earnings	-	
Total stockholders' equity		-
Total liabilities and equity		\$ -

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<b>RAJAGOPUL CORPORATION</b> <b>Income Statement</b> <b>For the Month (through transaction #2)</b>		
<b>Revenues</b>		
Services to customers		\$ -
<b>Expenses</b>		
Wages	\$ -	
Utilities	-	-
<b>Net income</b>		<b>\$ -</b>

<b>RAJAGOPUL CORPORATION</b> <b>Statement of Retained Earnings</b> <b>For the Month (through transaction #2)</b>		
Beginning retained earnings		\$ -
Plus: Net income		-
		<u>\$ -</u>
Less: Dividends		-
Ending retained earnings		<u>\$ -</u>

<b>RAJAGOPUL CORPORATION</b> <b>Balance Sheet</b> <b>As of Completion of Transaction #2</b>		
<b>Assets</b>		
Cash		\$ -
Accounts receivable		-
Building		-
Total assets		<u>\$ -</u>
<b>Liabilities</b>		
Wages payable	\$ -	
Notes payable	-	
Total liabilities		<u>\$ -</u>
<b>Stockholders' equity</b>		
Capital stock	\$ -	
Retained earnings	-	
Total stockholders' equity		<u>-</u>
Total liabilities and equity		<u>\$ -</u>

<b>RAJAGOPUL CORPORATION</b> <b>Income Statement</b> <b>For the Month (through transaction #3)</b>		
<b>Revenues</b>		
Services to customers		\$ -
<b>Expenses</b>		
Wages	\$ -	
Utilities	-	-
<b>Net income</b>	<u>          </u>	<u>\$ -</u>

<b>RAJAGOPUL CORPORATION</b> <b>Statement of Retained Earnings</b> <b>For the Month (through transaction #3)</b>		
Beginning retained earnings		\$ -
Plus: Net income		-
		<u>\$ -</u>
Less: Dividends		-
Ending retained earnings		<u>\$ -</u>

<b>RAJAGOPUL CORPORATION</b> <b>Balance Sheet</b> <b>As of Completion of Transaction #3</b>		
<b>Assets</b>		
Cash		\$ -
Accounts receivable		-
Building		-
Total assets		<u>\$ -</u>
<b>Liabilities</b>		
Wages payable	\$ -	
Notes payable	-	
Total liabilities	<u>          </u>	\$ -
<b>Stockholders' equity</b>		
Capital stock	\$ -	
Retained earnings	-	
Total stockholders' equity	<u>          </u>	-
Total liabilities and equity		<u>\$ -</u>

<b>RAJAGOPUL CORPORATION</b> <b>Income Statement</b> <b>For the Month (through transaction #4)</b>		
<b>Revenues</b>		
Services to customers		\$ -
<b>Expenses</b>		
Wages	\$ -	
Utilities	-	-
<b>Net income</b>	-	\$ -

<b>RAJAGOPUL CORPORATION</b> <b>Statement of Retained Earnings</b> <b>For the Month (through transaction #4)</b>	
Beginning retained earnings	\$ -
Plus: Net income	-
	\$ -
Less: Dividends	-
Ending retained earnings	\$ -

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<b>RAJAGOPUL CORPORATION</b>		
<b>Balance Sheet</b>		
<b>As of Completion of Transaction #4</b>		
<b>Assets</b>		
Cash		\$ -
Accounts receivable		-
Building		-
Total assets		<u>\$ -</u>
<b>Liabilities</b>		
Wages payable	\$ -	
Notes payable	-	
Total liabilities	<u>-</u>	\$ -
<b>Stockholders' equity</b>		
Capital stock	\$ -	
Retained earnings	-	
Total stockholders' equity	<u>-</u>	-
Total liabilities and equity		<u>\$ -</u>

<b>RAJAGOPUL CORPORATION</b>		
<b>Income Statement</b>		
<b>For the Month (through transaction #5)</b>		
<b>Revenues</b>		
Services to customers		\$ -
<b>Expenses</b>		
Wages	\$ -	
Utilities	-	-
<b>Net income</b>	<u>-</u>	<u>\$ -</u>

<b>RAJAGOPUL CORPORATION</b> <b>Statement of Retained Earnings</b> <b>For the Month (through transaction #5)</b>	
Beginning retained earnings	\$ -
Plus: Net income	-
	<u>\$ -</u>
Less: Dividends	-
Ending retained earnings	<u>\$ -</u>

<b>RAJAGOPUL CORPORATION</b> <b>Balance Sheet</b> <b>As of Completion of Transaction #5</b>	
<b>Assets</b>	
Cash	\$ -
Accounts receivable	-
Building	-
Total assets	<u>\$ -</u>
<b>Liabilities</b>	
Wages payable	\$ -
Notes payable	-
Total liabilities	<u>\$ -</u>
<b>Stockholders' equity</b>	
Capital stock	\$ -
Retained earnings	-
Total stockholders' equity	<u>-</u>
Total liabilities and equity	<u>\$ -</u>

<b>RAJAGOPUL CORPORATION</b> <b>Income Statement</b> <b>For the Month (through transaction #6)</b>		
<b>Revenues</b>		
Services to customers		\$ -
<b>Expenses</b>		
Wages	\$ -	
Utilities	-	-
<b>Net income</b>	<b>\$ -</b>	<b>-</b>

<b>RAJAGOPUL CORPORATION</b> <b>Statement of Retained Earnings</b> <b>For the Month (through transaction #6)</b>		
Beginning retained earnings		\$ -
Plus: Net income		-
		\$ -
Less: Dividends		-
Ending retained earnings		\$ -

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<b>RAJAGOPUL CORPORATION</b>		
<b>Balance Sheet</b>		
<b>As of Completion of Transaction #6</b>		
<b>Assets</b>		
Cash		\$ -
Accounts receivable		-
Building		-
Total assets		<u>\$ -</u>
<b>Liabilities</b>		
Wages payable	\$ -	
Notes payable	-	
Total liabilities	<u>-</u>	\$ -
<b>Stockholders' equity</b>		
Capital stock	\$ -	
Retained earnings	-	
Total stockholders' equity	<u>-</u>	-
Total liabilities and equity		<u>\$ -</u>

<b>RAJAGOPUL CORPORATION</b>		
<b>Income Statement</b>		
<b>For the Month (through transaction #7)</b>		
<b>Revenues</b>		
Services to customers		\$ -
<b>Expenses</b>		
Wages	\$ -	
Utilities	-	-
<b>Net income</b>		<u>\$ -</u>

<b>RAJAGOPUL CORPORATION</b> <b>Statement of Retained Earnings</b> <b>For the Month (through transaction #7)</b>	
Beginning retained earnings	\$ -
Plus: Net income	-
	<u>\$ -</u>
Less: Dividends	-
Ending retained earnings	<u>\$ -</u>

<b>RAJAGOPUL CORPORATION</b> <b>Balance Sheet</b> <b>As of Completion of Transaction #7</b>	
<b>Assets</b>	
Cash	\$ -
Accounts receivable	-
Building	-
Total assets	<u>\$ -</u>
<b>Liabilities</b>	
Wages payable	\$ -
Notes payable	-
Total liabilities	<u>\$ -</u>
<b>Stockholders' equity</b>	
Capital stock	\$ -
Retained earnings	-
Total stockholders' equity	<u>-</u>
Total liabilities and equity	<u>\$ -</u>

<b>RAJAGOPUL CORPORATION</b> <b>Income Statement</b> <b>For the Month (through transaction #8)</b>		
<b>Revenues</b>		
Services to customers		\$ -
<b>Expenses</b>		
Wages	\$ -	
Utilities	-	-
<b>Net income</b>		<u>\$ -</u>

<b>RAJAGOPUL CORPORATION</b> <b>Statement of Retained Earnings</b> <b>For the Month (through transaction #8)</b>	
Beginning retained earnings	\$ -
Plus: Net income	-
	<u>\$ -</u>
Less: Dividends	-
Ending retained earnings	<u>\$ -</u>

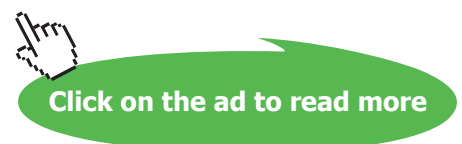
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<b>RAJAGOPUL CORPORATION</b>		
<b>Balance Sheet</b>		
<b>As of Completion of Transaction #8</b>		
<b>Assets</b>		
Cash		\$ -
Accounts receivable		-
Building		-
Total assets		<u>\$ -</u>
<b>Liabilities</b>		
Wages payable	\$ -	
Notes payable	-	
Total liabilities		<u>\$ -</u>
<b>Stockholders' equity</b>		
Capital stock	\$ -	
Retained earnings	-	
Total stockholders' equity		<u>-</u>
Total liabilities and equity		<u>\$ -</u>

<b>RAJAGOPUL CORPORATION</b>		
<b>Income Statement</b>		
<b>For the Month (through transaction #9)</b>		
<b>Revenues</b>		
Services to customers		\$ -
<b>Expenses</b>		
Wages	\$ -	
Utilities	-	-
<b>Net income</b>		<u>\$ -</u>

<b>RAJAGOPUL CORPORATION</b>		
<b>Statement of Retained Earnings</b>		
<b>For the Month (through transaction #9)</b>		
Beginning retained earnings		\$ -
Plus: Net income		-
		<u>\$ -</u>
Less: Dividends		-
Ending retained earnings		<u>\$ -</u>

<b>RAJAGOPUL CORPORATION</b>		
<b>Balance Sheet</b>		
<b>As of Completion of Transaction #9</b>		
<b>Assets</b>		
Cash		\$ -
Accounts receivable		-
Building		-
Total assets		\$ -
<b>Liabilities</b>		
Wages payable	\$ -	
Notes payable	-	
Total liabilities	-	\$ -
<b>Stockholders' equity</b>		
Capital stock	\$ -	
Retained earnings	-	
Total stockholders' equity	-	-
Total liabilities and equity		\$ -



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Sources: Keuzegids Master ranking 2013; Elsevier 'Beste Studies' ranking 2012; Financial Times Global Masters in Management ranking 2012

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<b>RAJAGOPUL CORPORATION</b> <b>Income Statement</b> <b>For the Month (through transaction #10)</b>		
<b>Revenues</b>		
Services to customers		\$ -
<b>Expenses</b>		
Wages	\$ -	
Utilities	-	-
<b>Net income</b>	<u>          </u>	<u>\$ -</u>

<b>RAJAGOPUL CORPORATION</b> <b>Statement of Retained Earnings</b> <b>For the Month (through transaction #10)</b>		
Beginning retained earnings		\$ -
Plus: Net income		-
		<u>\$ -</u>
Less: Dividends		-
Ending retained earnings		<u>\$ -</u>

<b>RAJAGOPUL CORPORATION</b> <b>Balance Sheet</b> <b>As of Completion of Transaction #10</b>		
<b>Assets</b>		
Cash		\$ -
Accounts receivable		-
Building		-
Total assets		<u>\$ -</u>
<b>Liabilities</b>		
Wages payable	\$ -	
Notes payable	-	
Total liabilities	<u>          </u>	\$ -
<b>Stockholders' equity</b>		
Capital stock	\$ -	
Retained earnings	-	
Total stockholders' equity	<u>          </u>	-
Total liabilities and equity		<u>\$ -</u>

## Solution 5

<b>RAJAGOPUL CORPORATION</b> <b>Income Statement</b> <b>For the Month (through transaction #1)</b>		
<b>Revenues</b>		
Services to customers		\$ -
<b>Expenses</b>		
Wages	\$ -	
Utilities	-	-
<b>Net income</b>		<u>\$ -</u>

<b>RAJAGOPUL CORPORATION</b> <b>Statement of Retained Earnings</b> <b>For the Month (through transaction #1)</b>	
Beginning retained earnings	\$ -
Plus: Net income	-
	<u>\$ -</u>
Less: Dividends	-
Ending retained earnings	<u>\$ -</u>

<b>RAJAGOPUL CORPORATION</b> <b>Balance Sheet</b> <b>As of Completion of Transaction #1</b>		
<b>Assets</b>		
Cash	\$ 100,000	Cash increases \$ 100.000
Accounts receivable	-	
Building	-	
Total assets	<u>\$ 100,000</u>	
<b>Liabilities</b>		
Wages payable	\$ -	
Notes payable	-	
Total liabilities	<u>\$ -</u>	
<b>Stockholders' equity</b>		
Capital stock	\$ 100,000	Capital stock increases \$ 100.000
Retained earnings	-	
Total stockholders' equity	<u>100,000</u>	
Total liabilities and equity	<u>\$ 100,000</u>	

<b>RAJAGOPUL CORPORATION</b> <b>Income Statement</b> <b>For the Month (through transaction #2)</b>		
<b>Revenues</b>		
Services to customers		\$ -
<b>Expenses</b>		
Wages	\$ -	
Utilities	-	-
<b>Net income</b>		<u>\$ -</u>

<b>RAJAGOPUL CORPORATION</b> <b>Statement of Retained Earnings</b> <b>For the Month (through transaction #2)</b>	
Beginning retained earnings	\$ -
Plus: Net income	-
	<u>\$ -</u>
Less: Dividends	-
Ending retained earnings	<u>\$ -</u>

<b>RAJAGOPUL CORPORATION</b> <b>Balance Sheet</b> <b>As of Completion of Transaction #2</b>		
<b>Assets</b>		
Cash	\$ 60,000	Cash increases \$ 40.000
Accounts receivable	-	
Building	240,000	Building stock increases \$ 240.000
Total assets	<u>\$ 300,000</u>	
<b>Liabilities</b>		
Wages payable	\$ -	
Notes payable	<u>200,000</u>	Notes payable increases \$ 200.000
Total liabilities	\$ 200,000	
<b>Stockholders' equity</b>		
Capital stock	\$ 100,000	
Retained earnings	<u>-</u>	
Total stockholders' equity	100,000	
Total liabilities and equity	<u>\$ 300,000</u>	



<b>RAJAGOPUL CORPORATION</b> <b>Income Statement</b> <b>For the Month (through transaction #3)</b>		
<b>Revenues</b>		
Services to customers		\$ -
<b>Expenses</b>		
Wages	\$ 100,000	
Utilities	-	10,000
<b>Net income</b>		<u><u>\$ (10,000)</u></u>

Wages Expense increases \$ 10.000

<b>RAJAGOPUL CORPORATION</b> <b>Statement of Retained Earnings</b> <b>For the Month (through transaction #3)</b>		
Beginning retained earnings	\$ -	
Plus: Net income		(10,000)
	<u>\$</u>	<u>(10,000)</u>
Less: Dividends		-
Ending retained earnings	<u>\$</u>	<u>(10,000)</u>

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<b>RAJAGOPUL CORPORATION</b>		
<b>Balance Sheet</b>		
<b>As of Completion of Transaction #3</b>		
<b>Assets</b>		
Cash		\$ 50,000
Accounts receivable		-
Building		240,000
Total assets		<u>\$ 290,000</u>
<b>Liabilities</b>		
Wages payable	\$ -	
Notes payable	<u>200,000</u>	
Total liabilities		\$ 200,000
<b>Stockholders' equity</b>		
Capital stock	\$ 100,000	
Retained earnings	<u>(10,000)</u>	
Total stockholders' equity		90,000
Total liabilities and equity		<u>\$ 290,000</u>

Cash decreases  
\$ 10.000

<b>RAJAGOPUL CORPORATION</b>		
<b>Income Statement</b>		
<b>For the Month (through transaction #4)</b>		
<b>Revenues</b>		
Services to customers		\$ 30,000
<b>Expenses</b>		
Wages	\$ 10,000	
Utilities	-	10,000
<b>Net income</b>		<u>\$ 20,000</u>

Revenue increases  
\$ 30.000

<b>RAJAGOPUL CORPORATION</b>		
<b>Statement of Retained Earnings</b>		
<b>For the Month (through transaction #4)</b>		
Beginning retained earnings	\$ -	
Plus: Net income		20,000
	<u>\$ 20,000</u>	
Less: Dividends		-
Ending retained earnings	<u>\$ 20,000</u>	

<b>RAJAGOPUL CORPORATION</b> <b>Balance Sheet</b> <b>As of Completion of Transaction #4</b>		
<b>Assets</b>		
Cash		\$ 80,000
Accounts receivable		-
Building		240,000
Total assets		<u>\$ 320,000</u>
<b>Liabilities</b>		
Wages payable	\$ -	
Notes payable	<u>200,000</u>	
Total liabilities		\$ 200,000
<b>Stockholders' equity</b>		
Capital stock	\$ 100,000	
Retained earnings	<u>20,000</u>	
Total stockholders' equity		120,000
Total liabilities and equity		<u>\$ 320,000</u>

Cash increases  
\$ 30.000

<b>RAJAGOPUL CORPORATION</b> <b>Income Statement</b> <b>For the Month (through transaction #5)</b>		
<b>Revenues</b>		
Services to customers		\$ 30,000
<b>Expenses</b>		
Wages	\$ 10,000	
Utilities	<u>4,000</u>	14,000
<b>Net income</b>		<u>\$ 16,000</u>

Utilities Expense  
increases  
\$ 4.000

<b>RAJAGOPUL CORPORATION</b> <b>Statement of Retained Earnings</b> <b>For the Month (through transaction #5)</b>		
Beginning retained earnings	\$ -	
Plus: Net income		16,000
		<u>\$ 16,000</u>
Less: Dividends		-
Ending retained earnings	\$ 16,000	

<b>RAJAGOPUL CORPORATION</b>		
<b>Balance Sheet</b>		
<b>As of Completion of Transaction #5</b>		
<b>Assets</b>		
Cash	\$ 76,000	
Accounts receivable	-	
Building	240,000	
Total assets	<u>\$ 316,000</u>	
<b>Liabilities</b>		
Wages payable	\$ -	
Notes payable	<u>200,000</u>	
Total liabilities		\$ 200,000
<b>Stockholders' equity</b>		
Capital stock	\$ 100,000	
Retained earnings	<u>16,000</u>	
Total stockholders' equity		116,000
Total liabilities and equity		<u>\$ 316,000</u>

Cash decreases  
\$ 4.000

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<b>RAJAGOPUL CORPORATION</b> <b>Income Statement</b> <b>For the Month (through transaction #6)</b>		
<b>Revenues</b>		
Services to customers		\$ 30,000
<b>Expenses</b>		
Wages	\$ 10,000	
Utilities	4,000	14,000
<b>Net income</b>		<u>\$ 16,000</u>

<b>RAJAGOPUL CORPORATION</b> <b>Statement of Retained Earnings</b> <b>For the Month (through transaction #6)</b>		
Beginning retained earnings	\$ -	
Plus: Net income		16,000
		<u>\$ 16,000</u>
Less: Dividends		-
Ending retained earnings	\$	<u>16,000</u>

<b>RAJAGOPUL CORPORATION</b> <b>Balance Sheet</b> <b>As of Completion of Transaction #6</b>		
<b>Assets</b>		
Cash	\$ 60,000	Cash decreases \$ 16,000
Accounts receivable	-	
Building	240,000	
Total assets	<u>\$ 300,000</u>	
<b>Liabilities</b>		
Wages payable	\$ -	Notes payable decreases \$ 16,000
Notes payable	184,000	
Total liabilities	\$ 184,000	
<b>Stockholders' equity</b>		
Capital stock	\$ 100,000	
Retained earnings	16,000	
Total stockholders' equity	116,000	
Total liabilities and equity	<u>\$ 300,000</u>	

<b>RAJAGOPUL CORPORATION</b> <b>Income Statement</b> <b>For the Month (through transaction #7)</b>		
<b>Revenues</b>		
Services to customers		\$ 50,000
<b>Expenses</b>		
Wages	\$ 10,000	
Utilities	4,000	14,000
<b>Net income</b>		<u>\$ 36,000</u>

Revenue increases \$ 20.000

<b>RAJAGOPUL CORPORATION</b> <b>Statement of Retained Earnings</b> <b>For the Month (through transaction #7)</b>		
Beginning retained earnings	\$	-
Plus: Net income		36,000
	\$	<u>36,000</u>
Less: Dividends		-
Ending retained earnings	\$	<u>36,000</u>

<b>RAJAGOPUL CORPORATION</b> <b>Balance Sheet</b> <b>As of Completion of Transaction #7</b>		
<b>Assets</b>		
Cash		\$ 60,000
Accounts receivable		20,000
Building		240,000
Total assets		<u>\$ 320,000</u>
<b>Liabilities</b>		
Wages payable	\$	-
Notes payable	184,000	
Total liabilities		\$ 184,000
<b>Stockholders' equity</b>		
Capital stock	\$ 100,000	
Retained earnings	36,000	
Total stockholders' equity		<u>136,000</u>
Total liabilities and equity		<u>\$ 320,000</u>

Accounts receivable increases \$ 20.000

<b>RAJAGOPUL CORPORATION</b>		
<b>Income Statement</b>		
<b>For the Month (through transaction #8)</b>		
<b>Revenues</b>		
Services to customers		\$ 50,000
<b>Expenses</b>		
Wages	\$ 16,000	
Utilities	4,000	20,000
<b>Net income</b>		<u><u>\$ 30,000</u></u>

Wage Expense increases \$ 6.000

<b>RAJAGOPUL CORPORATION</b>	
<b>Statement of Retained Earnings</b>	
<b>For the Month (through transaction #8)</b>	
Beginning retained earnings	\$ -
Plus: Net income	30,000
	<u>\$ 30,000</u>
Less: Dividends	-
Ending retained earnings	<u><u>\$ 30,000</u></u>

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<b>RAJAGOPUL CORPORATION</b>		
<b>Balance Sheet</b>		
<b>As of Completion of Transaction #8</b>		
<b>Assets</b>		
Cash		\$ 60,000
Accounts receivable		20,000
Building		240,000
Total assets		<u>\$ 320,000</u>
<b>Liabilities</b>		
Wages payable	\$ 6,000	
Notes payable	<u>184,000</u>	
Total liabilities		\$ 190,000
<b>Stockholders' equity</b>		
Capital stock	\$ 100,000	
Retained earnings	<u>30,000</u>	
Total stockholders' equity		130,000
Total liabilities and equity		<u>\$ 320,000</u>

Wages Payable  
increases  
\$ 6.000

<b>RAJAGOPUL CORPORATION</b>		
<b>Income Statement</b>		
<b>For the Month (through transaction #9)</b>		
<b>Revenues</b>		
Services to customers		\$ 50,000
<b>Expenses</b>		
Wages	\$ 16,000	
Utilities	4,000	20,000
<b>Net income</b>		<u>\$ 30,000</u>

<b>RAJAGOPUL CORPORATION</b>		
<b>Statement of Retained Earnings</b>		
<b>For the Month (through transaction #9)</b>		
Beginning retained earnings	\$	-
Plus: Net income		30,000
	\$	<u>30,000</u>
Less: Dividends		-
Ending retained earnings	\$	<u>30,000</u>



<b>RAJAGOPUL CORPORATION</b>		
<b>Balance Sheet</b>		
<b>As of Completion of Transaction #9</b>		
<b>Assets</b>		
Cash		\$ 68,000
Accounts receivable		12,000
Building		240,000
Total assets		<u>\$ 320,000</u>
<b>Liabilities</b>		
Wages payable	\$ 6,000	
Notes payable	<u>184,000</u>	
Total liabilities		\$ 190,000
<b>Stockholders' equity</b>		
Capital stock	\$ 100,000	
Retained earnings	<u>30,000</u>	
Total stockholders' equity		130,000
Total liabilities and equity		<u>\$ 320,000</u>

Cash increases  
\$ 8.000  
Accounts  
Receivable  
decreases  
\$ 8.000

<b>RAJAGOPUL CORPORATION</b>		
<b>Income Statement</b>		
<b>For the Month (through transaction #10)</b>		
<b>Revenues</b>		
Services to customers		\$ 50,000
<b>Expenses</b>		
Wages	\$ 16,000	
Utilities	<u>4,000</u>	20,000
<b>Net income</b>		<u>\$ 30,000</u>

<b>RAJAGOPUL CORPORATION</b>		
<b>Statement of Retained Earnings</b>		
<b>For the Month (through transaction #10)</b>		
Beginning retained earnings		\$ -
Plus: Net income		30,000
		<u>\$ 30,000</u>
Less: Dividends		12,000
Ending retained earnings		<u>\$ 18,000</u>

Dividends  
increases  
\$ 12.000

<b>RAJAGOPUL CORPORATION</b>		
<b>Balance Sheet</b>		
<b>As of Completion of Transaction #10</b>		
<b>Assets</b>		
Cash		\$ 56,000
Accounts receivable		12,000
Building		240,000
Total assets		<u>\$ 308,000</u>
<b>Liabilities</b>		
Wages payable	\$ 6,000	
Notes payable	<u>184,000</u>	
Total liabilities		\$ 190,000
<b>Stockholders' equity</b>		
Capital stock	\$ 100,000	
Retained earnings	<u>18,000</u>	
Total stockholders' equity		118,000
Total liabilities and equity		<u>\$ 308,000</u>

Cash decreases  
\$ 12,000

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