

## PRIMARY COMPONENTS OF FINANCIAL STATEMENTS, PG 24 TEXT

### INCOME STATEMENT

Sales  
Less cost of sales  
 Gross margin  
Less selling and administrative expenses  
Net Income

### STATEMENT OF SHAREHOLDERS' EQUITY (RETAINED EARNINGS PORTION)

Beginning balance of retained earnings  
 → Add: net income  
Less: dividends declared  
Ending balance of retained earnings

### STATEMENT OF CASH FLOWS

Net cash provided/used by operating activities  
 Net cash provided/used by investing activities  
Net cash provided/used by financing activities  
 Net change in cash  
Add: Beginning balance of cash  
Ending balance of cash

### BALANCE SHEET

Assets  
 Current Assets  
     Cash ←  
     Accounts Receivable  
     Inventory  
 Total Current Assets  
 Property, Plant, and Equipment  
     Land  
     Building  
     Equipment  
     Intangibles  
     Goodwill  
Total Long-term assets  
Total Assets  
 Liabilities and Stockholders' Equity  
     Current liabilities  
         Accounts Payable  
     Long-term liabilities  
         Notes Payable  
 Shareholders' contributed capital  
 → Retained earnings  
Total liabilities and stockholders' equity