

Answer Sheet

Pastrami's Pizza Joint Income Statement For the Month Ended July 31, 2003

Revenues		\$50,000
Cost of Goods Sold (COGS)		
Item		
Ingredients	\$10,000	
Supplies	200	
Cooks' Wages	<u>3,200</u>	
Total COGS		<u>13,400</u>
Gross Margin		36,600
Selling, General & Administrative		
Item		
Advertising	\$4,000	
Delivery Wages	2,000	
Accountant's Salary	2,100	
Owner's Salary	3,000	
Mortgage	1,500	
Utilities	500	
Gasoline	480	
Food Containers	<u>250</u>	
Total SG&A		<u>13,830</u>
Operating Income		22,770
Income Taxes (30%)		6,831
Net Income		<u>\$15,939</u>