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Contracting Party	Given in Exchange	Received in Exchange	Contract Completed
Owner	Investment of \$200,000	Return on investment of \$14,475	No, business is a going concern
Lender	Loan of \$100,000	Interest earned of \$1,000	No, interest and principal not yet paid
Suppliers	Merchandise	Payment of \$75,000	Yes
	Equipment	Payment of \$25,000	Yes
	Buildings	Payment of \$125,000	Yes
	Land	Payment of \$30,000	Yes
	Other items	Payment of \$1,200	Yes

This is a completed style B table with fixed outside gutters of 12 points and vertical rules before columns 2, 3, and 4. They are centered in the gutters and extend from the rule above the first line to the rule below the last line.

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	Buildings	Payment of \$125,000	Yes
	Land	Payment of \$30,000	Yes

Assets		Liabilities + Owners Equity		Revenues	Expenses
Cash	\$130,000	Notes Payable	\$50,000	Sales	\$45,000
	0	Invested by Owner	40,000	Expenses	5,000
Total	<u>\$130,000</u>	Total	<u>\$90,000</u>	Total	<u>\$40,000</u>

Value from Transforming Resources into Goods and Services					
Support Activities Income	Top Management, Finance, Accounting				Net Revenues Expenses
	Research and Development				
	Design and Engineering				
	Purchasing				
	Personnel				
Primary	Production	Distribution	Marketing	Servicing	

Assets = Liabilities + Owners Equity + Revenues
Expenses

1995

Dec. 12 Cash 500
 Accounts Receivable 500
 Received payment on account.
 15 Stockholders Equity 8,000
 Cost of Merchandise
 Sold
 This is a descriptive line.
 20 Accounts Payable 455
 Cash 450
 Discount 5
 We owed them money.

Check Register

Date	Check Number	Check Issued to Deposit Received From	Amount of Deposit	Amount of Check	Balance
April 1					450
1	346	Northside Apartments	4	300	150
7		Payroll check	400		550
9		Cash withdrawn		70	480
12	347	Miller s Grocery		125	355
14		Payroll check	400		755
17		Cash withdrawn	4	50	705
20	348	Citizen s Loan Co.		200	505
22		Payroll check	400	4	905
25	349	City Light and Water		60	845
27	350	Wang s Grocery		140	705
28	351	Street Clothiers		80	625

Transaction	<u>Amounts of Money</u>		Balance
	Amount of Check	Amount of Deposit	
Balance on February 1			400
Paid cash for electric bill	350		50
Received cash for sale of equipment		800	850
Received cash for accounts receivable		250	1100
Paid building lease	750		350

Year	Ball Bearing Profits <u>In Dollars</u>	Beach Ball Profits <u>In Cents</u>
1990		
A	\$ 8	\$ 3
C	10	.22
D	21	.99

Exhibit 3 8

Summary of Transformation Process
Einstein Electronics

Income Statement
For Two Months Ended June 30, 1996

Sales Revenue		\$ 67,500
Expenses:		
Cost of goods sold	\$ 37,500	
Wages	13,000	
Interest	1,000	
Depreciation	625	
Other	1,200	
Total expenses		<u>53,325</u>
Net Income		<u>\$ 14,175</u>

Statement of Cash Flows
For Two Months Ended June 30, 1996

Cash flow from operating activities:		
Sale of merchandise	\$ 50,000	
Less cash paid for expenses	(11,000)	\$ 38,000
Cash flow for investing activities:		
Purchase of merchandise	(75,000)	
Purchase of equipment	(25,000)	
Purchase of building	(125,000)	
Purchase of land	(30,000)	
(255,000)		
Cash flow from financing activities:		
Loans from creditors	<u>100,000</u>	
Investments by owners	200,000	300,000
Net increase in cash		<u>83,800</u>
Cash balance, May 1		<u>0</u>
Cash balance, June 30		<u>\$ 83,800</u>

Balance Sheet
At June 30, 1996

Assets:		
Cash		\$ 83,800
Accounts receivable		17,500
Merchandise inventory		37,500
Equipment	\$ 25,000	
Buildings	125,000	
	<u>150,000</u>	
Less: Accumulated depreciation	(625)	149,375
Land		<u>30,000</u>
Total assets		<u>\$318,175</u>
Liabilities:		
Wages payable	\$ 3,000	
Interest payable	1,000	
Loans payable	100,000	
Total Liabilities		\$104,000
Owner s Equity:		
Investment by owners	<u>200,000</u>	
Reinvested profits	14,175	
Total owner s equity		<u>214,175</u>
Total liabilities and owner s equity		<u>\$318,175</u>

CONSOLIDATED BALANCE SHEET
(in millions)

<u>September 30</u>	<u>1990</u>	<u>1989</u>
Assets		
Cash	\$ 819.8	\$ 380.8
Marketable securities	588.1	662.3
Receivables	851.5	908.5
Merchandise inventories	269.2	224.3
Film costs (a)	641.1	443.3
Theme parks, resorts and other property, at cost		
Attractions, buildings and equipment	4,654.6	4,143.3
Accumulated depreciation	<u>(1,405.1)</u>	<u> </u>
(1,217.3)	3,249.5	2,926.0
Projects in progress	<u>594.0</u>	<u>407.4</u>
Land	67.0	63.9
	<u>3,910.5</u>	<u>3,397.3</u>
Other assets	<u>942.1</u>	<u>640.7</u>
	<u>\$8,022.3</u>	<u>\$6,957.2</u>
Liabilities and Stockholders Equity		
Accounts payable and other accrued liabilities	\$1,158.1	\$1,011.4
Income taxes payable	200.3	250.9
Borrowings (a)	1,584.6	860.6
Unearned revenues (a)	841.9	912.7
Deferred income taxes (a)	748.8	577.6
Stockholders equity		
Common stock	502.8	448.3
Retained earnings	<u>3,401.1</u>	<u>2,651.2</u>
Adjustments	<u>(415.3)</u>	<u> </u>
(55.5)	<u>3,488.6</u>	<u>3,044.0</u>
	<u>\$8,022.3</u>	<u>\$6,657.2</u>