

Ex. 4–7

a.

FEDEX CORPORATION
Income Statement
For the Year Ended May 31, 2007
(in millions)

Revenues		\$22,527
Expenses:		
Salaries and employee benefits.....	\$8,051	
Fuel.....	2,946	
Rentals and landing fees.....	1,598	
Maintenance and repairs	1,440	
Purchased transportation	1,097	
Depreciation	845	
Provision for income taxes	733	
Other expense (income) net.....	<u>4,566</u>	
Total expenses		<u>21,276</u>
Net income.....		<u>\$ 1,251</u>

- b. The income statements are very similar. The actual statement includes some additional expense and income classifications. For example, the actual statement reports Income Before Income Taxes and Provision for Income Taxes separately. In addition, the “Other expense (income) net” in the text is a summary of several items from the Web site, including Intercompany charges, Interest expense, and Interest income.

Ex. 4–8

JACKRABBIT SYSTEMS CO.
Statement of Owner’s Equity
For the Year Ended March 31, 2010

Terry Collins, capital, April 1, 2009		\$573,750
Net income for year	\$95,000	
Less withdrawals	<u>16,000</u>	
Increase in owner’s equity		<u>79,000</u>
Terry Collins, capital, March 31, 2010		<u>\$652,750</u>