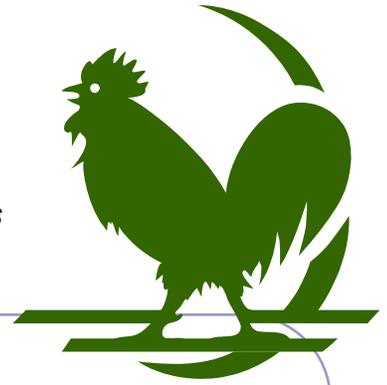


Name: Answer Key– Option 2

CALCULATING YOUR PROFITS

Using the balance sheets below, find the net income of your business at the end of Years 2 and 3. Remember to adjust your figures according to the business adjustment option you have chosen.



YEAR 2

	Credits	Debits	Balance
Net profit from the end of Year 1 (see Year 1 balance sheet)	+ \$ 503.65		\$ 503.65
Flock of chicks		- \$ 162.00	(-\$ 162.00) \$ 341.65
Chicken feed		- \$ 404.50	(-\$404.50) - \$ 62.85
Meat sales	+ \$ 635.70 (\$489.00 x 1.3)		+\$635.70)
Net Profit : End of Year 2			\$ 572.85

YEAR 3

	Credits	Debits	Balance
Net profit from the end of Year 2	+ \$ 572.85		\$572.85
Flock of chicks (same cost as Year 2)		- \$ 162.00	(-\$ 162.00) \$ 410.85
Chicken feed (same cost as Year 2)		- \$ 404.50	(-\$404.50) \$ 6.35
Meat sales	+ \$ 635.70		+\$635.70)
Net Profit : End of Year 3			\$ 642.05