

## Sample Multiple-Step Income Statement

**ABC Company**  
**Income Statement**  
**For the Year Ended December 31, 2009**

|  |                     |
|--|---------------------|
| <b>Sales</b>   | <b>\$ 1,480,000</b> |
| <b>Cost of goods sold</b>                                  | <b>600,000</b>      |
| <b>Gross profit</b>  | <b>880,000</b>      |
| <b>Operating expenses:</b>                                 |                     |
| <b>Selling</b>   | <b>100,000</b>      |
| <b>Administrative</b>                                      | <b>220,000</b>      |
| <b>Total operating expenses</b>                            | <b>320,000</b>      |
| <b>Income from operations</b>                              | <b>560,000</b>      |
| <b>Other revenue and (expense):</b>                        |                     |
| <b>Interest revenue</b>                                    | <b>35,000</b>       |
| <b>Interest expense</b>                                    | <b>(15,000)</b>     |
| <b>Dividend revenue</b>                                    | <b>15,000</b>       |
| <b>Infrequent or unusual gains</b>                         | <b>9,000</b>        |
| <b>Infrequent or unusual losses</b>                        | <b>(4,000)</b>      |
| <b>Total other revenue and expense</b>                     | <b>40,000</b>       |
| <b>Income before income taxes</b>                          | <b>600,000</b>      |
| <b>Income taxes</b>  | <b>208,000</b>      |
| <b>Income from continuing operations</b>                   | <b>392,000</b>      |
| <b>Discontinue operations:</b>                             |                     |
| <b>Income from operations, less income tax of \$24,800</b> | <b>54,000</b>       |
| <b>Loss on disposal, less income tax of \$41,000</b>       | <b>(90,000)</b>     |
| <b>Total discontinued operations</b>                       | <b>(36,000)</b>     |
| <b>Income before extraordinary item</b>                    | <b>356,000</b>      |
| <b>Extraordinary item, less income tax of \$23,000</b>     | <b>(45,000)</b>     |
| <b>Net income</b>  | <b>\$ 311,000</b>   |