Q2-1

Pre-tax income	900,000
Life insurance	60,000
Depreciation	(40,000)
Taxable income	920,000
Tax rate	25%
Current tax	(230,000)
Deferred tax	(12,000)
Net income	658,000

Pre-tax income	700,000
Life insurance	60,000
Depreciation	(40,000)
Taxable income	720,000
Tax rate	25%
Current tax	(180,000)
Deferred tax	(12,000)
Net income	508,000

Income statement

I/C before tax	700,000
Current tax	(180,000)
Deferred tax	(12,000)
I/C	508,000
D/O after tax	150,000
Net income	658,000

Q2-2

Pre-tax income	200,000
M&E expense	5,000
Depreciation	(12,000)
Interest on M/B	(5,000)
Bad debt	1,000
UHG on T/S	(2,000)
Taxable income	187,000
Tax rate	25%
Current tax	(46,750)
Deferred tax	(3,900)
Net income	149,350
Effective rate	25.33%

T/P	36,750
DTA	0
DTL	3,900

Q2-3

Pre-tax income	200,000
Life insurance	1,500
Warranty	2,000
Rent in advance	1,000
UHG on AFS	0
Taxable income	204,500
Tax rate	25%
Current tax	(51,125)
Deferred tax	900
Net income	149,775
Effective rate	25.11%

T/P	41,125
DTA	0
DTL	1,200

Q2-4

Pre-tax income	800,000
Depreciation	(470,000)
Royalty	190,000
Accrued expense	45,000
Installment	(243,000)
Taxable income	322,000
Tax rate	40%
Current tax	(128,800)
Deferred tax	(191,200)
Net income	480,000
Effective rate	40.00%

T/P	128,800
DTA	0
DTL	231,200

Q3-1

Year	Paid-out	P/S	C/S	P/S	C/S
1	13,000	13,000	-	13,000	-
2	26,000	15,000	11,000	17,000	9,000
3	57,000	15,000	42,000	35,625	21,375
4	76,000	15,000	61,000	47,500	28,500

Q3-2

Date	CS	APIC	RE	TS	Total
1/1	400,000	800,000			1,200,000
3/1				(200,000)	(200,000)
5/2		5,000		40,000	45,000
6/5		(5,000)	(1,000)	80,000	74,000
10/3	(10,000)	(20,000)	(10,000)	40,000	0
12/31			500,000		500,000
12/31	390,000	780,000	489,000	(40,000)	1,619,000

Date	CS	APIC	RE		Total
1/1	400,000	800,000			1,200,000
3/1	(50,000)	(100,000)	(50,000)		(200,000)
5/2	10,000	35,000			45,000
6/5	20,000	54,000			74,000
10/3	0	0	0		0
12/31			500,000		500,000
12/31	380,000	789,000	450,000	0	1,619,000

Q3-3

Date	PS	CS	APIC	RE	TS	Total
1/2		100,000	28,000			128,000
2/11	400,000		30,000			430,000
4/2			192,000			192,000
7/2					(34,200)	(34,200)
8/1			800		15,200	16,000
12/20				(4,750)		(4,750)
12/20				(32,000)		(32,000)
12/31				175,000		175,000
12/31	400,000	100,000	250,800	138,250	(19,000)	870,050

Q3-4

Date	PS	CS	APIC	RE	TS	Total
1/1		10,000,000	7,500,000	3,250,000		20,750,000
1/2	5,000,000		400,000			5,400,000
2/1					(320,000)	(320,000)
5/5		2,500,000	3,500,000			6,000,000
6/15				(2,480,000)		(2,480,000)
11/1			50,000		160,000	210,000
12/7				(450,000)		(450,000)
12/31				2,250,000		2,250,000
12/31	5,000,000	12,500,000	11,450,000	2,570,000	(160,000)	31,360,000

Q 4-1

Dates	S/O	Restate	Fraction	WA
1/1-3/31	100,000	1.2	3	30,000
4/1-6/30	120,000	1.2	3	36,000
7/1-7/31	115,000	1.2	1	11,500
8/1-8/31	138,000	1.0	1	11,500
9/1-12/31	140,000	1.0	4	46,667
			12	**135,667**

Q 4-2

Dates	S/O	Restate	Fraction	WA
1/1-1/31	400,000	2.2	1	73,333
2/1-2/28	520,000	2.2	1	95,333
3/1-4/30	572,000	2.0	2	190,667
5/1-5/31	482,000	2.0	1	80,333
6/1-9/30	964,000	1.0	4	321,333
10/1-12/31	994,000	1.0	3	248,500
			12	**1,009,500**

Q 4-3

Dates	S/O	Restate	Fraction	WA
1/1-5/31	100,000	1.1	5	45,833
6/1-6/30	120,000	1.1	1	11,000
7/1-12/31	132,000	1.0	6	66,000
			12	**122,833**

C/B	7,000	=21*1000*4/12
DEPS	**129,833**	=7000+122833

Q 4-5

	BEPS	
Numerator	298,600	=300000-20000*7%
Denominator	120,000	
EPS	**2.49**	

	Stock option	
Numerator	-	
Denominator	5,000	=50000*5/50
Per share	-	

	C/B	=800000*8%*6/12*(1-0.4)
Numerator	19,200	=800*20*6/12
Denominator	8,000	
Per share	**2.40**	

	C/PS	=20000*7%
Numerator	1,400	=20*30*9/12
Denominator	450	
Per share	**3.11**	

	DEPS	
Numerator	298,600	=298600+0
Denominator	125,000	=120000+5000
EPS	**2.39**	

Q 4-4

	BEPS	DEPS	
Numerator	160,000	173,160	=160000+90000*12%*0.7 +100000*8%*0.7
Denominator	150,000	193,000	=150000+10000+8000+15000*10/30+20000
EPS	**1.07**	**0.90**	