

RetailBiz, Inc.

RetailBiz, Inc., was incorporated on December 1, 20X4. During December, RetailBiz:

- a. Issued common stock raising \$60 thousand.
- b. Bought a parcel of land, paying \$5 thousand in cash.

These transactions resulted in the balance sheet as of December 31, 20X4 shown elsewhere on this Excel tab.

During 20X5, RetailBiz:

- c. Bought 490,000 cans of product for \$49 thousand cash.
- d. Sold all 490,000 cans for 15 cents each, received in cash immediately. This generated total revenue of \$73.5 thousand ($490,000 \times \$0.15 = \73.5 thousand).

Required:

Prepare journal entries for the preceding transactions. Post the journal entries to appropriate T-accounts. Prepare any necessary adjusting and closing entries needed at December 31, 20X5. Prepare a December 31, 20X5 balance sheet and an income statement for the year ended December 31, 20X5.