

**Jimco Ltd. BALANCE SHEET December 31, 1981(Thousands of Rands)**

**ASSETS**

Current assets:	
Cash	1 400
Marketable securities (market value, R320)	300
Account receivable	10 000
Inventories	12 000
Prepaid expenses	300
Total current assets	24 000
Fixed assets:	
Land	2 000
Plant and equipment	12 300
Less: Accumulated depreciation	7 300
Net plant and equipment	5 000
Total fixed assets	7 000
Total assets	31 000
<b>LIABILITIES AND OWNER'S EQUITY</b>	
Current liabilities:	
Accounts payable	3 000
Notes payable, 9%, March 1, 1982	3 400
Accrued salaries, wages and other expenses	3 100

Current portion of long-term debt	500
Total current liabilities	10 000
Non-current liabilities:	
Deferred income taxes	1 500
First mortgage bond, 7%, due January 1, 1995	6 300
Debentures, 8.5%, due June 30, 1991	2 900
Total long-term liabilities	10 700
Owner's equity	
Common stock (par value R 1.00)	100
Additional paid-in capital	2 000
Retained earnings	8 200
Total owner's equity	10 300
Total liabilities and owner's equity	31 000

**Income statement for Jimco for the year ended December 31, 1981(Thousands of Rands)**

Net sales		51 000
Cost of goods sold		(38 000)
Gross profit		13 000
Operating expenses		
Selling expense	3 100	
Depreciation expense	500	
General and administrative expense	5 400	(9 000)
Net Operating Income (NOI)		4 000
Interest expense		(1 000)
Earnings before taxes (EBT)		3 000
Income taxes		(1 200)
Net income (NI)		1 800