Item of P. & I State-	4.	OF THE TH	IREE STA	TEMENTS
ment	Net Basis	1st — Feb. 28, 1914		
5	Net Sales	\$20.862.05		
6	Inventory of Mdse. at Beginning of Period	\$00,000.00		4=0,00=100
7	Purchases of Mdse. at Billed Cost	28,836.00		
8	Freight, Express and Cartage on Purchases	243.10		
9	Total Mdse. Cost	\$29,079.10		
13	Net Inventory of Mdse, at End of Period	13,276.44		
14	Net Cost of Mdse. Sold	20,210.11		15,802.66
15	Profit on Mdse			\$5,059.39
16	Cash Discounts Taken on Purchases of Mdse			749.74
17	Gross Profit on Mdse			\$5,809.13
				\$0,003.10
	Gross Basis			
5	Net Sales			000 000 05
6	Inventory of Mdse, at Beginning of Period (Gross)	200,000,00		\$20,862.05
7	Purchases of Mdse. at Billed Cost	\$00,000.00		
8	Freight, Express and Cartage on Purchases	28,836.00		
9	Total Mdse. Cost	243.10		
10	Inventory (Gross) of Mdse. at End of Period	\$29,079.10		
	Gross Cost of Mdse. Sold	15,145.38		
11	Discount on Inventory of Mdse., plus	\$13,933.72		
12	Depreciation of Mdse.	1 222 21		
14	Net Cost of Mdse. Sold	1,868.94		O
15	Profit on Mdse.			15,802.66
16	Cash Discounts Taken on Purchases of Mdse			\$5,059.39
17	Gross Profit on Mdse			749.74
	CIONS LIGHT ON MICHOC.			\$5,809.13
	0 1: 10 :			
	Combined Basis			
	(Harvard System of Accounts for Shoe Retailers)			
5	Net Sales			\$20,862.05
6	Inventory of Mdse. at Beginning of Period	\$00,000.00		
7	Purchases of Mdse. at Billed Cost	28,836.00		
8	Freight, Express and Cartage on Purchases	243.10		
9	Total Mdse, Cost	5	\$29,079.10	
10	Inventory of Mdse. at End of Period	\$15,145.38		
Less	11 Discount on Inventory of Mdse. \$393.78			
	12 Depreciation of Mdse 1.475.16	1,868.94		
13	Net Inventory of Mdse, at End of Period		13,276.44	
14	Net Cost of Mdse, Sold		THE STATE	15,802.66
. 15	Profit on Mdse			\$5,059.39
16	Cash Discounts Taken on Purchases			749.74
17	Gross Profit on Mdse			\$5,809.13

<sup>&</sup>lt;sup>1</sup> Increase over the first depreciation and discount, and hence an increase in cost.

ON THREE BASES - NET, GROSS, AND COMBINED

2d — Aug. 31, 1914	3d — Feb. 28, 1915		
\$24,110.78	\$27,075.13		
	\$13,379.79		
\$13,276.44	16,853.77		
17,259.20			
149,30	139.48		
\$30,684.94	\$30,373.04		
13,379.79	11,804.25		
17,305.15	18,568.79		
\$6,805.63	\$8,506.34		
483.26	521.47		
\$7,288.89	\$9,027.81		
201 110 70	\$27,075.13		
\$24,110.78	\$15,294.68		
\$15,145.38			
17,259.20	16,853.77		
149.30	139.48		
\$32,553.88	\$32,287.93		
15,294.68	13,535.43		
\$17,259.20	\$18,752.50		
45.95 1	183.71 *		
17,305.15	18,568.79		
\$6,805.63	\$8,506.34		
483.26	521.47		
\$7,288.79	\$9,027.81		
φ1,233.10			
\$24,110.78	\$27,075.13		
\$13,276.44	\$13,379.79		
17,259.20	16,853.77		
	139.48		
149.30	\$30,373.04		
\$30,684.94	\$13,535.43		
\$15,294.68	\$419.60		
\$428.25	1,311.58 1,731.18		
1,486.64 1,914.89	11,804.25		
13,379.79	18,568.79		
17,305.15	\$8,506.34		
\$6,805.63	521.47		
483.26			
\$7,288.89	\$9,027.81		
	- to the second		

<sup>&</sup>lt;sup>2</sup> Decrease from the second depreciation and discount, and hence a reduction in cost.