

A COMPARATIVE TABLE OF THE THREE STATEMENTS

Item of P. & L. Statement	Net Basis	1st — Feb. 28, 1914	2d — Aug. 31, 1914	3d — Feb. 28, 1915
5 Net Sales		\$20,862.05	\$24,110.78	\$27,075.13
6 Inventory of Mdse. at Beginning of Period	\$00,000.00		\$13,276.44	\$13,379.79
7 Purchases of Mdse. at Billed Cost	28,836.00		17,259.20	16,853.77
8 Freight, Express and Cartage on Purchases	243.10		149.30	139.48
9 Total Mdse. Cost	\$29,079.10		\$30,684.94	\$30,373.04
13 Net Inventory of Mdse. at End of Period	13,276.44		13,379.79	11,804.25
14 Net Cost of Mdse. Sold		15,802.66	17,305.15	18,568.79
15 Profit on Mdse.		\$5,059.39	\$6,805.63	\$8,506.34
16 Cash Discounts Taken on Purchases of Mdse.		749.74	483.26	521.47
17 Gross Profit on Mdse.		\$5,809.13	\$7,288.89	\$9,027.81
Gross Basis				
5 Net Sales		\$20,862.05	\$24,110.78	\$27,075.13
6 Inventory of Mdse. at Beginning of Period (Gross)	\$00,000.00		\$15,145.38	\$15,294.68
7 Purchases of Mdse. at Billed Cost	28,836.00		17,259.20	16,853.77
8 Freight, Express and Cartage on Purchases	243.10		149.30	139.48
9 Total Mdse. Cost	\$29,079.10		\$32,553.88	\$32,287.93
10 Inventory (Gross) of Mdse. at End of Period	15,145.38		15,294.68	13,535.43
Gross Cost of Mdse. Sold	\$13,933.72		\$17,259.20	\$18,752.50
11 Discount on Inventory of Mdse., plus				
12 Depreciation of Mdse.	1,868.94		45.95 ¹	183.71 ²
14 Net Cost of Mdse. Sold		15,802.66	17,305.15	18,568.79
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16 Cash Discounts Taken on Purchases of Mdse.		749.74	483.26	521.47
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Combined Basis (Harvard System of Accounts for Shoe Retailers)				
5 Net Sales		\$20,862.05	\$24,110.78	\$27,075.13
6 Inventory of Mdse. at Beginning of Period	\$00,000.00		\$13,276.44	\$13,379.79
7 Purchases of Mdse. at Billed Cost	28,836.00		17,259.20	16,853.77
8 Freight, Express and Cartage on Purchases	243.10		149.30	139.48
9 Total Mdse. Cost	\$29,079.10		\$30,684.94	\$30,373.04
10 Inventory of Mdse. at End of Period	\$15,145.38		\$15,294.68	\$13,535.43
Less 11 Discount on Inventory of Mdse.	\$393.78		\$428.25	\$419.60
12 Depreciation of Mdse.	1,475.16	1,868.94	1,486.64	1,311.58
13 Net Inventory of Mdse. at End of Period		13,276.44	13,379.79	11,804.25
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¹ Increase over the first depreciation and discount, and hence an increase in cost.

ON THREE BASES — NET, GROSS, AND COMBINED

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17 Gross Profit on Mdse.		\$5,809.13	\$7,288.89	\$9,027.81

² Decrease from the second depreciation and discount, and hence a reduction in cost.