Income Statement Problem

Prepare Income Statements for the years 20X1, 20X2, and 20X3 by the Completed Contract Method and the Percentage of Completion Method for the construction firm's data shown below. For Percentage of Completion, show calculations by Alternative A and Alternative B, measure the work progress by Cost to Cost and Labor Hours for both alternatives, up to "Revenue to Date". Continue Alternative A (by both work progress measures) thereafter to the end (Adjustment to Retained Income). Income Tax is 40%.

Project Data (in $1,000 or worker-hour = whr)					
Year	20X1		20X2		20X3
Project Number	I	II	I	II	II
Materials Purchased	900	810	1,000	1,700	510
Materials Paid	600	400	1,300	2,070	550
Materials Used	630	700	1,270	1,730	590
Wages Incurred	600	440	1,480	610	192
Wages Paid	570	400	1,510	560	282
Subcontractor Cost Incurred	540	1,340	720	1,880	760
Subcontractor Bills	500	1,340	760	1,800	840
Subcontractor Paid	380	700	880	2,250	1,030
Amount Billed to Owner	1,900	3,000	4,500	6,000	1,200
Amount Paid by Owner	1,600	2,700	4,800	5,400	2,100
Amount Retained by Owner	160	270	(160)	540	(810)
Labor Hours to Date (whr)	12,000	9,000	27,000	21,400	23,900
Labor Hours to Complete (whr)	16,000	14,000	0	2,000	0
Contract Amount	6,100	9,400	6,400	9,700	10,200
Estimated Cost to Complete	3,000	5,400	0	2,200	0

General and Administrative Expenses (in $1,000)			
Year	20X1	20X2	20X3
Supplies Purchased	40	50	45
Supplies Paid	30	55	40
Wages Incurred	190	210	220
Wages Paid	150	220	215
Other Expenses Incurred	90	100	110
Other Expenses Paid	100	95	110
Dividend Paid to Owners	60	60	50

Use MS Excel spreadsheet CEE53102_Template.xls for results, which is on Grader in the CEE 531 directory in 1340 GGB and at http://mywebpages.comcast.net/rcarr152741MI/ (as is this homework problem statement), or I will send it by email if you request by email. RICarr@umich.edu. Please show back-up calculations or cell-formulas where applicable.