NOTE: Use any piece of paper. You only need to write the question number followed by your answer. A brief and concise answer is appropriate for each question.

1) There are four broad “elements of the income statement” listed in the text- list them.

2) List the types of activities which are presented net of tax on the income statement.

3) Items which are both unusual in nature and infrequent in occurrence are referred to as what?

4) Is an income statement “Transaction-based” (Yes or No).

5) If a change in law would put exceptional demand upon a Company’s product or service, would that Company record any income relative to this change in law?

6) A Company with a 35% effective tax rate experiences a loss which is both unusual and non-recurring. It costs them a total of $100,000.
   a. Would this be presented before or after the income tax provision on the income statement?
   b. How would this appear on the income statement *(include all relevant amounts)

7) A company changes the estimated useful life of an asset being depreciated when there is 5 years remaining under the existing estimated life. The net book value of the asset is $99,999 when this change in estimate occurs and the company estimates that there are only 3 years (including this year) remaining. Assuming they use the straight-line method:
   a. What should be the impact to the prior year?
   b. What amount of depreciation expense should be recorded in the current year?
   c. What amount of depreciation expense should be recorded next year?

8) Net income per share is computed as net income divided by?