

A stylized illustration of a tree with a thick black trunk on the left side, extending upwards and branching out. The branches are filled with numerous small, light green, circular leaves. The background is a solid, light green color. The word "WELCOME" is centered in the lower half of the image.

WELCOME

COMPREHENSIVE INCOME

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What is comprehensive income ?

Comprehensive income consists of all of the revenues, gains, expenses, and losses that caused stockholders equity to change during the accounting period.

■ *Components of Comprehensive income*

- Net income.
- Other comprehensive income items: Gains and losses which bypass income statement and are reported directly in the stockholders' equity of the balance sheet statement.

Three approaches to reporting Comprehensive Income

1. A second separate income statement;
2. A combined income statement of comprehensive income; or
3. As part of the statement of stockholders' equity

Second income statement

V. GILL INC.	
INCOME STATEMENT	
FOR THE YEAR ENDED DECEMBER 31, 2010	
Sales revenue	\$800,000
Cost of goods sold	<u>600,000</u>
Gross profit	200,000
Operating expenses	<u>90,000</u>
Net income	<u><u>\$110,000</u></u>

V. GILL INC.	
COMPREHENSIVE INCOME STATEMENT	
FOR THE YEAR ENDED DECEMBER 31, 2010	
Net income	\$110,000
Other comprehensive income	
Unrealized holding gain, net of tax	<u>30,000</u>
Comprehensive income	<u><u>\$140,000</u></u>

Combined income statement

V. Gill Inc.

Combined Statement of Comprehensive Income
For the Year Ended December 31, 2010

Sales revenue	\$ 800,000
Cost of goods sold	600,000
Gross profit	<u>200,000</u>
Operating expenses	90,000
Net income	<u>110,000</u>
Unrealized holding gain, net of tax	30,000
Comprehensive income	<u><u>\$ 140,000</u></u>

Statement of Stockholder's Equity

V. GILL INC.
STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Total</u>	<u>Compre- hensive Income</u>	<u>Retained Earnings</u>	<u>Accumulated Other Compre- hensive Income</u>	<u>Common Stock</u>
Beginning balance	\$410,000		\$ 50,000	\$60,000	\$300,000
Comprehensive income					
Net income	110,000	\$110,000	110,000		
Other comprehensive income					
Unrealized holding gain, net of tax	30,000	<u>30,000</u>		30,000	
Comprehensive income		<u>\$140,000</u>			
Ending balance	<u>\$550,000</u>		<u>\$160,000</u>	<u>\$90,000</u>	<u>\$300,000</u>



THANK YOU...!!!