

QUESTION 2

Based on the information below, calculate the company's operating income for 2018.

| Account No. | Name of the Account | 2018 | 2017 | Balance |
|-------------|--------------------------|------|------|---------|
| 100 | Accounts Payable | - | - | 1000 |
| 101 | Accounts Receivable | 500 | 500 | 1000 |
| 102 | Inventory | - | - | 1000 |
| 103 | Prepaid Insurance | - | - | 1000 |
| 104 | Land | 100 | 100 | 1000 |
| 105 | Buildings | 100 | 100 | 1000 |
| 106 | Equipment | 100 | 100 | 1000 |
| 107 | Accumulated Depreciation | - | - | 1000 |
| 108 | Notes Payable | - | - | 1000 |
| 109 | Common Stock | 100 | 100 | 1000 |
| 110 | Retained Earnings | 100 | 100 | 1000 |
| 200 | Cost of Sales | 100 | 100 | 1000 |

In the previous question, the price per unit was \$2.00. What is the company's operating income?

| Account No. | Name | Amount |
|-------------|--------------|--------|
| 100-110 | Total Assets | 10000 |

Note: Round your final answer to the nearest whole number.



- Options:
1. \$100
 2. \$200
 3. \$300
 4. \$400
 5. \$500