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#### INTERNET LINKS\*:

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#### LINKS IN THIS DOCUMENT:

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\* If prompted for a password, use the password that was emailed to you.

\*\*FA-1-3-3-1 Means FA **SEMESTER 1** **CLASS 3** **TOPIC 3** EXERCISE 1

## WORKBOOK FOR FINANCE & ACCOUNTING SEMESTER #1 & CLASS #3 (ALSO CALLED FA-1-3\*\*\*)

**3 TOPICS COVERED IN THIS LESSON:** (Brief Recaps in Brackets. Click the text to jump to the page in this workbook where we cover the Topics).

- 1** [FA-1-3-1: INTRODUCTION TO THE INCOME STATEMENT](#) (Overview of the Income Statement components and how it works.)
- 2** [FA-1-3-2: THE RELATIONSHIP BETWEEN THE INCOME STATEMENT & THE BALANCE SHEET](#) (Explanation of the relationship between the Income Statement and the Balance Sheet and formulas we use to analyze the relationships.)
- 3** [FA-1-3-3: CREATING APPLE'S INCOME STATEMENT](#) (An exercise creating the Income Statement for Apple, Inc. using online filings)

Please have this workbook open during the FA-1-3\*\*\* lecture and fill in the blanks or answer the questions in this workbook when Chris asks you to do so during the live lesson (or during the replay of the live lesson). The homework for all lessons is always listed on the last page.

If you are watching a live version of this lesson, please let Chris explain the concepts and then we will have many opportunities for live Q&A when he mentions: “Does Anyone Have Any Questions?” You can also ask Chris questions about the concepts taught in this class during his weekly *For MBA Degree Program Students Only Weekly Q&A Webcast*, which is available at the following [link](#) using the password that was emailed to you.

Please note that after the class is finished, Chris will direct you where to go online in order to take a quiz based on the concepts taught in FA-1-3. If you can't watch this class live, then Chris' team will have an edited [replay](#) of the lesson online within one day after this class has ended.

### **TOPIC 1 OF 3: FA-1-3-1: Introduction to the Income Statement**

**Optional: Type your notes for Topic #1 in this box:**

**Optional: How can you apply what you have learned about Topic #1 today to enhance your career (or to make you happier and more successful in general)?**

**Optional: Type a question(s) below that you want to ask Chris on the live webcast about Topic #1.** If you are watching the live webcast of this lesson, after Chris finishes discussing each Topic, he will say “Does anyone have any questions about Topic #1. At that point you can copy and paste the text that you type below into the YouTube message box to ask him a question. If you are not on the live webcast, you can also ask him your questions during the [MBA Only Students Office Hours Webcast](#) (use the password that was emailed to you). Before asking the question about Topic #1, please look at the first page of this document to see what he will discuss in Topic #2 and Topic #3 (in case your question will be addressed during Topic #2 and Topic #3). Thanks:

## **TOPIC 2 OF 3: FA-1-3-2: The Relationship the Income Statement & the Balance Sheet**

**Optional: Type your notes for Topic #2 in this box:**

**Optional: How can you apply what you have learned about Topic #2 today to enhance your career (or to make you happier and more successful in general)?**

**Optional: Type a question(s) below that you want to ask Chris on the live webcast about Topic #2.** If you are watching the live webcast of this lesson, after Chris finishes discussing each Topic, he will say “Does anyone have any questions about Topic #2. At that point you can copy and paste the text that you type below into the YouTube message box to ask him a question. If you are not on the live webcast, you can also ask him your questions during the [MBA Only Students Office Hours Webcast](#) (use the password that was emailed to you). Before asking the question about Topic #2, please look at the first page of this document to see what he will discuss in Topic #3 (in case your question will be addressed during Topic #3). Thanks:

**TOPIC 3 OF 3: FA-1-3-3: Creating Apple's Income Statement**

**Optional: Type your notes for Topic #3 in this box:**

**Optional: How can you apply what you have learned about Topic #3 today to enhance your career (or to make you happier and more successful in general)?**

**Optional: Type a question below that you want to ask Chris on the live webcast about Topic #3.** If you are watching the live webcast of this lesson, after Chris finishes discussing each Topic, he will say "Does anyone have any questions about Topic #3. At that point you can copy and paste the text that you type below into the YouTube message box to ask him a question. If you are not on the live webcast, you can also ask him your questions during the [MBA Only Students Office Hours Webcast](#) (use the password that was emailed to you). Thanks:

### **EXERCISE FA-1-3-3-1: Making Apple's Income Statement Using Excel**

Open the Balance Sheet Excel file that you created in FA-1-2 and make sure to name the tab that is already there Balance Sheet. Then, insert a new worksheet to the right of the Balance Sheet worksheet. Name that new worksheet Income Statement. Then create 3 columns and insert the sales data as Chris explains in the video.

### **EXERCISE FA-1-3-3-2: Making the Cost of Goods Sold (COGS) Part of Apple's Income Statement Using Excel**

Please complete this exercise as Chris explains in the video.

**NOTE: EXERCISE 3 AND 4 ARE COMBINED: EXERCISE FA-1-3-3-3: Making the Gross Profit Part of Apple's Income Statement Using Excel** [EXERCISE FA-1-3-3-4: Making the Gross Profit Margin Part of Apple's Income Statement Using Excel](#)

Please complete this exercise as Chris explains it in the video. **Please note** that you should do Exercise 3 and 4 together (I didn't mention Exercise 4 in the video - but please do both Exercises - one is for Gross Profit and the other is for Gross Profit *Margin* as Chris explains in the video. Thanks

### **EXERCISE FA-1-3-3-5: Making the Operating Expenses Part of Apple's Income Statement Using Excel**

Please complete this exercise as Chris explains in the video.

**EXERCISE FA-1-3-3-6: Making the Operating Income & Operating Profit Margin Part of Apple's Income Statement Using Excel**

Please complete this exercise as Chris explains in the video.

**EXERCISE FA-1-3-3-7: Making the Other Income & Income Before Taxes Part of Apple's Income Statement Using Excel**

Please complete this exercise as Chris explains in the video.

**EXERCISE FA-1-3-3-8: Calculate Apple's Tax Rate**

Please complete this exercise as Chris explains in the video.

**EXERCISE FA-1-3-3-9: Calculate Apple's Net Profit**

Please complete this exercise as Chris explains in the video.

**EXERCISE FA-1-3-3-10: Calculate Apple's EPS**

Please complete this exercise as Chris explains in the video.

**EXERCISE FA-1-3-3-11: Calculate Year Over Year Changes**

Please complete this exercise as Chris explains in the video.

**EXERCISE FA-1-3-3-12: Calculate Percent of Revenue Items**

Please complete this exercise as Chris explains in the video.

**EXERCISE FA 1-3-3-13: Calculate Return On Equity**

Please complete this exercise as Chris explains in the video.

**EXERCISE FA 1-3-3-14: Calculate Return On Assets**

Please complete this exercise as Chris explains in the video.

**EXERCISE FA 1-3-3-15: Calculate Inventory Turnover**

Please complete this exercise as Chris explains in the video.

**EXERCISE FA 1-3-3-16: Calculate Debt to Equity**

Please complete this exercise as Chris explains in the video.

## **RESOURCES**

How to use Excel video I created for you on YouTube: <https://youtu.be/eFyMI5KqRAAs>



## **HOMEWORK**

After this lecture, please complete the quiz associated with this lecture at this [link](#)\* within one week of the day that you took this lecture. Thanks

\* If you can't see the quiz link, please refresh the link an hour after class has been completed thanks.