

SCHEDULE 4. INCOME STATEMENT
 LUDEN CORPORATION
 CURRENT COST BASIS
 FOR THE YEAR ENDED DECEMBER 31, 20X1

	CC/ND	INDEX	YEAR END CC/CD	INDEX	(AVE) CC/CD
SALES.....	\$80,000		\$83,810		\$80,000
COST OF SALES.....	<u>51,875</u>		<u>54,345</u>		51,875
GROSS MARGIN.....	<u>28,125</u>		<u>29,464</u>		28,125
OPERATING EXPENSES.....	20,000		20,952		20,000
DEPR EXPENSE.....	<u>10,917</u>		<u>11,437</u>		10,917
TTL EXPENSES	<u>30,917</u>		<u>32,389</u>		30,917
NET INCOME	<u><u>\$(2,792)</u></u>		<u><u>\$(2,925)</u></u>		<u><u>\$(2,792)</u></u>
PURCHASING POWER GAIN.....			<u><u>\$ 1,143</u></u>		<u><u>\$ 1,091</u></u>

SCHEDULE 5. BALANCE SHEET
 LUDEN CORPORATION
 CURRENT COST BASIS
 DECEMBER 31, 20X1

	CC/ND	INDEX	YEAR END CC/CD	INDEX	(AVE) CC/CD
CASH.....	\$ 70,000		\$ 70,000		\$66,818
INVENTORY.....	<u>58,750</u>		<u>58,750</u>		56,080
PLANT & EQUIPMENT.....	118,333		118,333		112,954
ACCUM DEPR.....	<u>11,833</u>		<u>11,833</u>		11,295
NET PLANT.....	<u>106,500</u>		<u>106,500</u>		101,659
TTL ASSETS.....	<u><u>\$235,250</u></u>		<u><u>\$235,250</u></u>		<u><u>\$224,557</u></u>
LIABILITIES & STOCKHOLDERS' EQUITY					
MORTGAGE PAYABLE.....	\$ 50,000		\$ 50,000		\$ 47,727
COMMON STOCK.....	150,000		165,000		157,500
RETAINED EARNINGS.....	35,250	*	20,250	*	19,330
TTL LIAB & STK EQUITY.....	<u><u>\$235,250</u></u>		<u><u>\$235,250</u></u>		<u><u>\$224,557</u></u>

SCHEDULE 6.
LUDEN CORPORATION
CALCULATION OF REALIZED & UNREALIZED HOLDING GAINS & LOSSES
FOR THE YEAR ENDED DECEMBER 31, 20X1

	CC/ND	INDEX	YEAR END CC/CD	INDEX	(AVE) CC/CD
INVENTORY-REALIZED HOLDING GAINS:					
COST OF SALES-CC.	\$51,875		\$54,345		\$51,875
COST OF SALES-HC.	<u>45,000</u>		<u>49,500</u>		<u>47,250</u>
REALIZED HOLD. GAIN	<u>6,875</u>		<u>4,845</u>		<u>4,625</u>
12/31 INVENTORY-CC.	58,750		58,750		56,080
12/31 INVENTORY-HC.	<u>45,000</u>		<u>49,500</u>		<u>47,250</u>
SUBTOTAL	<u>13,750</u>		<u>9,250</u>		<u>8,830</u>
1/1 INVENTORY-CC.	90,000		99,000		94,500
1/1 INVENTORY-HC.	<u>90,000</u>		<u>99,000</u>		<u>94,500</u>
SUBTOTAL	<u>0</u>		<u>0</u>		<u>0</u>
UNREALIZED HG-INVENTORY	<u>13,750</u>		<u>9,250</u>		<u>8,830</u>
TTL HG-INVENTORY	<u>20,625</u>		<u>14,295</u>		<u>13,455</u>
PLANT ASSETS-REALIZED HG					
DEPR EXPENSE-CC	10,917		11,437		10,917
DEPR EXPENSE-HC	<u>10,000</u>		<u>11,000</u>		<u>10,500</u>
REALIZED HG-PLANT	<u>917</u>		<u>437</u>		<u>417</u>
PLANT ASSETS-UNREALIZED HG					
12/31 NET PLANT-CC.	106,500		106,500		101,659
12/31 NET PLANT-HC.	<u>90,000</u>		<u>99,000</u>		<u>94,500</u>
SUBTOTAL	<u>16,500</u>		<u>7,500</u>		<u>7,159</u>
1/1 NET PLANT-CC.	100,000		110,000		105,000
1/1 NET PLANT-HC.	<u>100,000</u>		<u>110,000</u>		<u>105,000</u>
SUBTOTAL	<u>0</u>		<u>0</u>		<u>0</u>
TTL UNREALIZED HG-PLANT ..	<u>16,500</u>		<u>7,500</u>		<u>7,159</u>
TTL HOLDING GAIN-PLANT.	<u>17,417</u>		<u>7,937</u>		<u>7,576</u>
TOTAL HOLDING GAIN.	<u><u>\$38,042</u></u>		<u><u>\$22,032</u></u>		<u><u>\$21,031</u></u>

SCHEDULE 8.
 LUDEN CORPORATION
 STATEMENT OF RETAINED EARNINGS-CURRENT COST BASED
 FOR THE YEAR ENDED DECEMBER 31, 20X1

	CC/ND	INDEX	YEAR END CC/CD	INDEX	AVE CC/CD
RETAINED EARNINGS, 1/1. . . .	\$ 0		\$ 0		\$ 0
NET INCOME	(2,792)		(2,925)		(2,792)
PURCHING POWER GAIN (LOSS)	0		1,143		1,091
HOLDING GAINS (LOSSES). . .	<u>38,042</u>		<u>22,032</u>		21,031
RETAINED EARNINGS, 12/31	<u><u>\$35,250</u></u>		<u><u>\$20,250</u></u>		<u><u>\$19,330</u></u>