

This exam supplement includes a chart of accounts for **all** exam entries, BSE matrix for a fictitious company, financial statements from Dillard's fiscal 2012 annual report, and **Analysis Considerations Map - Phase I**.

Chart of Accounts

Use the following accounts for all exam entries. Use the most specific account listed. Use an accrued liability when an invoice has NOT been received and accounts payable when an invoice has been received.

ASSETS

Current

Cash
Restricted cash
Accounts receivable, gross
Allowance for bad debt (contra asset)
Inventories, gross
Allowance for inventory obsolescence (contra asset)
Prepaid expenses

Noncurrent

PP&E historical cost
PP&E accumulated depreciation
Goodwill

LIABILITIES

Current

Accounts payable
Accrued liabilities
Dividends payable
Current portion of long-term debt
Deferred revenues

Noncurrent

Long-term debt
Other long-term liabilities

OWNERS' EQUITY

Permanent

Common stock
Treasury stock (contra owners' equity)
Noncontrolling interest
Retained earnings
Accumulated other comprehensive income

Net income

Revenues, net
Cost of sales
Selling, general, and administrative expense
Goodwill impairment
Interest income
Gain on sale of PP&E
Loss on sale of PP&E
Income summary

Charlene's Quilts BSE for Entries E1-E12 and Closing for January 1 - 31, 2012

	Assets											Liabilities					Owners' Equity						
	=											+					+						
	C	AR	StInv	Inven	AP	AcCB	TaxP	CS	RE	Rev	Cgs	MG&A	Intinc	MG&A	Intinc	TxExp	IncS						
January 1, 2012	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+						
E1 Issue stock	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+						
E3 Purchase inventory on account	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+						
E4a Recognize revenue	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+						
E5 Pay wages for Jan 1- Jan 15	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+						
E6 Supplier payments	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+						
E9 Interest earned	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+						
E10 Unpaid wages for Jan 15- Jan 31	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+						
E2 Purchase debt securities	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+						
E4b Recognize cost of sales	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+						
E7 Pay landlord for January rent	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+						
E8 Customer collections	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+						
E12 Recognize tax expense	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+						
Pre-close trial balance	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+						
Closing to and from income summary	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+						
January 31, 2012	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+						

Charlene's Quilts
Chart of Accounts

ASSETS	AR	Accounts receivable
Current	C	Cash
	Inven	Inventory
	StInv	Short-term investments
LIABILITIES	AP	Accounts payable
Current	AcCB	Accrued compensation & benefits
	TaxP	Taxes payable
OWNERS' EQUITY	CS	Common stock (non-par)
Permanent	RE	Retained earnings
Net Income	Cgs	Cost of goods sold
	MG&A	Marketing, general & administrative expense
	IncS	Income summary
	Intinc	Interest income
	Rev	Revenues, net
	TxExp	Tax expense

DILLARDS INC
Consolidated Balance Sheets

Dollars in Thousands

	February 2, 2013	January 28, 2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 124,060	\$ 224,272
Accounts receivable	31,519	28,708
Merchandise inventories	1,294,581	1,304,124
Other current assets	41,820	34,625
Total current assets	<u>1,491,980</u>	<u>1,591,729</u>
Property and equipment:		
Land and land improvements	67,471	69,088
Buildings and leasehold improvements	3,047,108	3,091,063
Furniture, fixtures and equipment	1,320,938	1,468,010
Buildings under construction	453	29,193
Buildings and equipment under capital leases	18,522	18,522
Less accumulated depreciation and amortization	(2,167,477)	(2,235,610)
	<u>2,287,015</u>	<u>2,440,266</u>
Other assets	269,749	274,142
Total assets	<u>\$ 4,048,744</u>	<u>\$ 4,306,137</u>
Liabilities and stockholders' equity		
Current liabilities:		
Trade accounts payable and accrued expenses	\$ 653,769	\$ 655,653
Current portion of long-term debt	—	76,789
Current portion of capital lease obligations	1,710	2,312
Federal and state income taxes including current deferred taxes	111,637	135,610
Total current liabilities	<u>767,116</u>	<u>870,364</u>
Long-term debt	<u>614,785</u>	<u>614,785</u>
Capital lease obligations	<u>7,524</u>	<u>9,153</u>
Other liabilities	<u>233,492</u>	<u>245,218</u>
Deferred income taxes	<u>255,652</u>	<u>314,598</u>
Subordinated debentures	<u>200,000</u>	<u>200,000</u>
Commitments and Contingencies		
Stockholders' equity:		
Common stock, Class A—119,676,474 and 118,529,925 shares issued; 43,758,311 and 45,430,606 shares outstanding	1,197	1,185
Common stock, Class B (convertible)—4,010,929 shares issued and outstanding	40	40
Additional paid-in capital	932,495	828,796
Accumulated other comprehensive loss	(31,275)	(39,034)
Retained earnings	3,099,566	3,107,344
Less treasury stock, at cost, Class A—75,918,163 and 73,099,319 shares	(2,031,848)	(1,846,312)
Total stockholders' equity	<u>1,970,175</u>	<u>2,052,019</u>
Total liabilities and stockholders' equity	<u>\$ 4,048,744</u>	<u>\$ 4,306,137</u>

DILLARDS INC
Consolidated Statements of Income

Dollars in Thousands, Except Per Share Data

	Years Ended		
	February 2, 2013	January 28, 2012	January 29, 2011
Net sales	\$ 6,593,169	\$ 6,263,600	\$ 6,120,961
Service charges and other income	158,426	141,884	137,384
	<u>6,751,595</u>	<u>6,405,484</u>	<u>6,258,345</u>
Cost of sales	4,247,108	4,047,269	3,980,873
Selling, general and administrative expenses	1,671,526	1,630,907	1,625,793
Depreciation and amortization	259,621	257,685	261,550
Rentals	34,838	48,110	51,045
Interest and debt expense, net	69,596	72,059	73,792
Gain on litigation settlement	—	(44,460)	—
Gain on disposal of assets	(12,435)	(3,955)	(5,632)
Asset impairment and store closing charges	1,591	1,200	2,208
Income before income taxes and income on (equity in losses of) joint ventures	479,750	396,669	268,716
Income taxes (benefit)	145,060	(62,518)	84,450
Income on (equity in losses of) joint ventures	1,272	4,722	(4,646)
Net income	<u>\$ 335,962</u>	<u>\$ 463,909</u>	<u>\$ 179,620</u>
Earnings per common share:			
Basic	\$ 6.98	\$ 8.67	\$ 2.68
Diluted	6.87	8.52	2.67

DILLARDS INC
Consolidated Statements of Comprehensive Income

Dollars in Thousands

	Years Ended		
	February 2, 2013	January 28, 2012	January 29, 2011
Net income	\$ 335,962	\$ 463,909	\$ 179,620
Other comprehensive income (loss):			
Amortization of retirement plan and other retiree benefit adjustments (net of tax of \$2,640, \$11,903 and \$2,579)	7,759	(21,204)	4,468
Comprehensive income	<u>\$ 343,721</u>	<u>\$ 442,705</u>	<u>\$ 184,088</u>

DILLARDS INC
Consolidated Statements of Stockholders' Equity

Dollars in Thousands, Except Per Share Data

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Treasury Stock	Total
	Class A	Class B					
Balance, January 30, 2010	\$ 1,169	\$ 40	\$ 782,746	\$ (22,298)	\$ 2,484,447	\$ (942,001)	\$ 2,304,103
Net income	—	—	—	—	179,620	—	179,620
Other comprehensi income	—	—	—	4,468	—	—	4,468
Issuance of 786,768 shares under stock option and stock bonus plans	8	—	22,676	—	—	364	23,048
Purchase of 14,641,705 shares of treasury stock	—	—	—	—	—	(413,889)	(413,889)
Cash dividends declared: Common stock, \$0.16 per share	—	—	—	—	(10,630)	—	(10,630)
Balance, January 29, 2011	1,177	40	805,422	(17,830)	2,653,437	(1,355,526)	2,086,720
Net income	—	—	—	—	463,909	—	463,909
Other comprehensi loss	—	—	—	(21,204)	—	—	(21,204)
Issuance of 839,374 shares under stock option and stock bonus plans	8	—	23,374	—	—	371	23,753
Purchase of 11,374,852 shares of treasury stock	—	—	—	—	—	(491,157)	(491,157)
Cash dividends declared: Common stock, \$0.19 per share	—	—	—	—	(10,002)	—	(10,002)
Balance, January 28, 2012	\$ 1,185	\$ 40	\$ 828,796	\$ (39,034)	\$ 3,107,344	\$ (1,846,312)	\$ 2,052,019

Consolidated Statements of Stockholders' Equity

Dollars in Thousands, Except Per Share Data

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Treasury Stock	Total
	Class A	Class B					
Balance, January 28, 2012	\$ 1,185	\$ 40	\$ 828,796	\$ (39,034)	\$3,107,344	\$(1,846,312)	\$2,052,019
Net income	—	—	—	—	335,962	—	335,962
Other comprehensi income	—	—	—	7,759	—	—	7,759
Issuance of and stock bonus plans	23	—	112,475	—	—	—	112,498
Purchase and retirement of 1,169,218 shares under stock option plan	(11)	—	(8,776)	—	(93,896)	—	(102,683)
Purchase of 2,818,844 shares of treasury stock	—	—	—	—	—	(185,536)	(185,536)
Cash dividends declared:							
Common stock, \$5.20 per share	—	—	—	—	(249,844)	—	(249,844)
Balance, February 2, 2013	<u>\$ 1,197</u>	<u>\$ 40</u>	<u>\$ 932,495</u>	<u>\$ (31,275)</u>	<u>\$3,099,566</u>	<u>\$(2,031,848)</u>	<u>\$1,970,175</u>

Analysis Considerations Map - Phase 1

