2012.10.17

Managerial Accounting – #17

Sales	1,000,000	
CGS	600,000	
EBITDA	400,000	
– DA	0	
EBIT	400,000	
– I	100,000	
EBT	300,000	
– T	120,000	
	180,000	240,000

now work your way up

#15 Taxable income

	250,000	
	+ 10,000	interest received is taxable
dividends paid	– 45,000	interest paid is deductible
are not tax	+ 0.3 (20,000)	dividends received is taxable
deductible	221,000	← taxable income

#12

Option 1 – new plant

Before-tax: 11%

After-tax: 11% (1 – 0.25)

= 8.25%

Option 2

Before tax: 9% dividends

~~tax event~~

After tax: 9% – (0.25)(.3)(9%)

9% – 0.675%

8.325%