Solution

# Significance of the Income Statement

1. **You can see multiple accounts listed below Income, including ‘Design income’ and ‘Landscaping services’ (which has its own sub-accounts). Why are these accounts important? Why is it helpful to view them on this statement?**
You should see the detail or the individual sales that make up the total of the income. The purpose behind doing this is to show where to go to verify the numbers that go into the income. A benefit of this is being able to identify if income was recorded twice by mistake.
2. **Using the online demo file, choose an expense account and click on its dollar amount on the right-hand side for that account. What do you see?**
You can see the details or individual transactions that make up the total of that expense account. The purpose behind doing this is to show that you can review the individual transactions for a given expense account. This is a great way to identify if there are recurring expenses that perhaps were forgotten about or overlooked.