

For January, 2018

$$\begin{aligned}\text{Owner's Equity} &= \text{Assets} - \text{Liability} \\ &= 85,000 - 62,000 \\ &= \underline{23,000}\end{aligned}$$

$$\begin{aligned}\text{Net Income} &= \text{Revenue} - \text{Expenses} \\ &= 350,000 - 211,000 \\ &= 139,000\end{aligned}$$

$$\begin{aligned}\text{Owner's Equity} &= \text{Owner's Capital} - \text{Owner's Drawings} + \text{Net Income} \\ \Rightarrow 23,000 &= \text{Owner's Capital} - 0 + 139,000\end{aligned}$$

At December, 2018,

$$\text{Owner's capital} = \underline{23,000}$$

For December 2018,

$$\begin{aligned}\text{Owner's Equity} &= \text{Assets} - \text{Liabilities} \\ &= 168,000 - 85,000 \\ &= \underline{83,000}\end{aligned}$$

$$\begin{aligned}\text{Again, Owner's Equity} &= \text{Owner's Capital} - \text{Owner's Drawings} + \text{Net Income} \\ [\text{Dec, 2018}] & \quad \quad \quad [\text{Jan, 2018}]\end{aligned}$$

$$\Rightarrow 83000 = 23000 - D + 139,000$$

$$\begin{aligned}\Rightarrow D &= 23000 + 139000 - 83000 \\ &= \underline{79,000}\end{aligned}$$

A. Henning
Statement of Owner's Equity
for the month ended in June, 2018

Particulars	Amount \$	Amount \$
A. Henning, Capital, Jan 1	23,000	
Add: Investment		
Net Income	189,000	
Less: A. Henning Drawings		168,000
A. Hen	29,000	(29,000)
		83,000

For 2016,

$$\begin{aligned}\text{(a) } \text{Ass Owner's Equity} &= \text{Assets} - \text{Liabilities} \\ &= \$400,000 - \$250,000 \\ &= \$150,000\end{aligned}$$

Given, Owner's investment = \$100,000

Owner's drawing = \$15,000.

Owner's equity = owner's capital - owner's drawing + net income

→ ~~D~~

~~Net Income = \$150,000~~

$$\begin{aligned}\Rightarrow \text{Net Income} &= \$150,000 - \$100,000 + \$15,000 \\ &= \$65,000 \text{ (Ans.)}\end{aligned}$$

(b) For 2017,

$$\begin{aligned}\text{Owner's equity} &= \text{Assets} - \text{Liabilities} \\ &= 460,000 - 300,000 \\ &= \$160,000\end{aligned}$$

Owner's Capital = \$150,000

Owner's Investment = \$45,000

Owner's Equity = Owner's Capital + Owner's Investment
- Owner's Drawing + Net Income

$$\begin{aligned}\Rightarrow \text{Net Income} &= \$160,000 - \$150,000 - \$45,000 - \$0 \\ &= -\$35,000\end{aligned}$$

As the sign is negative,

Net Loss = \$35,000 (Ans)

(c) For 2018,

$$\text{Owner's Equity} = \text{Assets} - \text{Liabilities}$$

$$= \$590,000 - \$400,000$$

$$= \$190,000$$

$$\text{Owner's Equity} = \text{Owner's Capital} + \text{Owner's Investment} - \text{Owner's Drawing} + \text{Net Income}$$

$$\Rightarrow \text{Net Income} = \text{Owner's Equity} - \text{Owner's Capital} - \text{Owner's Investment} + \text{Owner's Drawing} - \text{Net Income}$$

$$= \$190,000 - \$160,000 - \$15,000$$

$$+ \$25,000$$

$$\therefore \text{Net Income} = \$40,000 \quad \underline{\text{(Ans.)}}$$