

### Balance Sheet Handout

1. Indicate whether the following accounts should be classified as Assets (A), Liabilities (L), or Shareholders' Equity (SE)

- a. Salaries Payable \_\_\_\_\_
- b. Retained Earnings \_\_\_\_\_
- c. Treasury Stock \_\_\_\_\_
- d. Notes Payable \_\_\_\_\_
- e. Equipment \_\_\_\_\_
- f. Accounts Receivable \_\_\_\_\_
- g. Additional Paid in Capital \_\_\_\_\_
- h. Inventories \_\_\_\_\_

2. Determine the values of the missing accounting information

Account	2013	2014
Beginning Retained Earnings	\$45,369	B.
Net Income (Loss)	\$5,231	C.
Dividends	A.	\$3,863
Ending Retained Earnings	\$48,225	\$52,216

3. The following accounts are for Horton Company for the year ending 2013. Create a balance sheet for Horton for 2013.

Depreciation Expense	8,000	Interest Expense	6,000
Accounts Receivable	50,000	Dividends	2,500
Building	133,000	Accounts Payable	62,000
Accumulated Depreciation	(8,000)	Salary Expense	12,000
Cash and Short-term Equivalents	30,000	Shareholder's Equity	106,000
Cost of Goods Sold	32,000	Utility Expense	4,000
Rent Expense	6,000	Income Tax Expense	3,000
Revenues	74,000	Retained Earnings (1/1/13)	87,500
Long-term Liabilities	37,000	Paid-in Capital	?

4. Gundlach Brewing Company has the following account values as of February 1<sup>st</sup>, 2014.

Accounts Payable	\$100,000
Accounts Receivable	\$50,000
Cash and Cash Equivalents	\$140,000
Common Stock	\$95,000
Equipment (net)	\$60,000
Patents	\$25,000
Long-Term Debt	\$40,000
Retained Earnings	\$60,000
Treasury Stock	(\$20,000)

Gundlach Brewing Company had the following transactions took place during the month of February

- 1) Earned \$40,000 in net income (\$10,000 on credit and the rest in cash)
- 2) Paid \$15,000 in dividends
- 3) Purchased \$20,000 of equipment on account
- 4) Repaid \$2,000 of outstanding long-term debt
- 5) Repurchased \$3,000 of stock

Construct a Balance Sheet as of March 1<sup>st</sup>, 2014

5. Mike Hyman Company has the following account values as of December 31<sup>st</sup>, 2014.

Accounts Payable	\$37,459
Accounts Receivable	68,899
Additional Paid-in Capital	120,449
Bonds Payable	18,313
Cash	8,541
Common Stock	4,000
Income Taxes Payable	12,000
Inventories	137,500
Other Current Assets	1,545
Other Current Liabilities	100
Other Noncurrent Assets	110
Property, Plant, and Equipment	127,451
Retained Earnings	137,735
Salaries Payable	13,990

Prepare a classified balance sheet as of December 31, 2014. Classify each account into current and non-current assets, current and non-current liabilities, and owner's equity.

6. Fill in the missing values for Morris Corporation's December 31, 2014 balance sheet. Use the following facts:

- a) Morris Corporation was incorporated on January 1, 2014.
- b) Common Stock of \$600,000 was issued in 2014.
- c) Bonds of \$1,400,000 were issued in 2014.
- d) 2014 Net income was \$558,000 on sales of \$980,000 (all but \$202,000 was collected).
- e) Dividends of \$90,000 were paid during the year.
- f) Equipment of \$120,000 was purchased during the year.
- g) A building was purchased for \$1,440,000.
- h) On September 30, 2014, additional common stock was sold for \$25,000.

<b>Morris Corporation</b> <b>Balance Sheet</b> <b>As of December 31, 2014</b>	
<b>Assets</b>	
Cash	\$320,000
Accounts Receivable	?
Inventory	\$600,000
Plant, Property, & Equipment	<u>?</u>
Total Assets	?
<b>Liabilities and Shareholders' Equity</b>	
Accounts Payable	\$189,000
Bonds Payable	<u>?</u>
Total Liabilities	?
Common Stock	?
Retained Earnings	?
Total Shareholders' Equity	<u>?</u>
Total Liabilities and Shareholder's Equity	?