

### Balance Sheet Handout - Solution

1.

Salaries Payable	_____ L _____
Retained Earnings	_____ SE _____
Treasury Stock	_____ SE _____
Notes Payable	_____ L _____
Equipment	_____ A _____
Accounts Receivable	_____ A _____
Additional Paid in Capital	_____ SE _____
Inventories	_____ A _____

2.

A. Solution 2013: Dividends = Beg RE + NI - End RE = \$45,369 + \$5,231 - \$48,225 = \$2,375

B. Solution 2014: Beg RE 2014 = End RE 2013 = \$48,225

C. NI = End RE + Div - Beg RE = \$52,216 + \$3,863 - \$48,225 = \$7,854

3.

Horton Company Balance Sheet As of December 31, 2013	
<b>Assets</b>	
Cash and Short-term Equivalents	\$30,000
Accounts Receivable	\$50,000
Building	\$133,000
Accumulated Depreciation	<u>(\$8,000)</u>
Total Assets	<u>\$205,000</u>
<b>Liabilities and Shareholders' Equity</b>	
Accounts Payable	\$62,000
Long-Term Liabilities	<u>\$37,000</u>
Total Liabilities	\$99,000
Paid-in Capital	\$18,000
Retained Earnings	\$88,000
Total Shareholders' Equity	<u>\$106,000</u>
Total Liabilities and Shareholder's Equity	<u>\$205,000</u>

Net Income = 74,000 - 32,000 - 8,000 - 6,000 - 12,000 - 6,000 - 4,000 - 3,000 = 3,000

Ending Retained Earnings = Beginning Retained Earnings + Net Income - Dividends = 87,500 + 5,000 - 2,500 = 88,000

4.

<b>Gundlach Brewing Company</b> <b>Balance Sheet</b> <b>As of March 1<sup>st</sup>, 2014</b>	
<b>Assets</b>	
Current Assets	
Cash and Cash Equivalents	\$150,000
Accounts Receivable	<u>\$60,000</u>
Total Current Assets	\$210,000
Long-Term Assets	
Equipment (net)	\$80,000
Patents	<u>\$25,000</u>
Total Long-Term Assets	<u>\$105,000</u>
Total Assets	<u>\$315,000</u>
<b>Liabilities and Shareholders' Equity</b>	
Current Liabilities	
Accounts Payable	\$120,000
Total Current Liabilities	\$120,000
Long-Term Liabilities	
Long-Term Debt	<u>\$38,000</u>
Total Liabilities	\$158,000
Shareholders' Equity	
Common Stock	\$95,000
Retained Earnings	\$85,000
Treasury Stock	<u>(\$23,000)</u>
Total Shareholders' Equity	<u>\$157,000</u>
Total Liabilities and Equity	<u>\$315,000</u>

5.

<b>Mike Hyman Company</b> <b>Balance Sheet</b> <b>As of December 31, 2014</b>	
<b>Assets</b>	
Current Assets	
Cash	\$8,541
Accounts Receivable	\$68,899
Inventories	\$137,500
Other Current Assets	<u>\$1,545</u>
Total Current Assets	\$216,485
Long-Term Assets	
Property, Plant, & Equipment	\$127,451
Other Noncurrent Assets	<u>\$110</u>
Total Long-Term Assets	<u>\$127,561</u>
Total Assets	<u>\$344,046</u>
<b>Liabilities and Shareholders' Equity</b>	
Current Liabilities	
Accounts Payable	\$37,459
Salaries Payable	\$13,990
Income Taxes Payable	\$12,000
Other Current Liabilities	<u>\$100</u>
Total Current Liabilities	\$63,549
Long-Term Liabilities	
Bonds Payable	<u>\$18,313</u>
Total Liabilities	\$81,862
Shareholders' Equity	
Common Stock	\$4,000
Additional Paid-in Capital	\$120,449
Retained Earnings	<u>\$137,735</u>
Total Shareholders' Equity	<u>\$262,184</u>
Total Liabilities and Equity	<u>\$344,046</u>

6.

<b>Morris Corporation Balance Sheet As of December 31, 2014</b>	
<b>Assets</b>	
Cash	\$320,000
Accounts Receivable	\$202,000
Inventory	\$600,000
Plant, Property, & Equipment	<u>\$1,560,000</u>
Total Assets	<u>\$2,682,000</u>
<b>Liabilities and Shareholders' Equity</b>	
Accounts Payable	\$189,000
Bonds Payable	<u>\$1,400,000</u>
Total Liabilities	\$1,589,000
Common Stock	\$625,000
Retained Earnings	\$468,000
Total Shareholders' Equity	<u>\$1,093,000</u>
Total Liabilities and Shareholder's Equity	<u>\$2,682,000</u>