

- Property / Plant / Equipment
↓
= LIABILITIES

ASSETS				=	LIABILITIES	+	OWNERS' EQUITY
Cash	+ Accts Rec.	+ Inv.	+ Equip.	=	Notes Pay.	+	Common Stk + R/E*
(1) 30,000							30,000
(2) 5,000					5,000		
(3) -10,000		10,000					
(4) -4,000			4,000				
(5)	12,000		-6,000				12,000
(6) -3,000							-6,000
							-3,000
(7) -2,000							-2,000

***Retained Earnings**

Name _____

Quiz Section _____

- II. Prepare an income statement (2 points), statement of retained earnings (2 points), balance sheet (4 points) and a statement of cash flows (for 2 bonus points!!) from the information in Part I.

XYZ Company, Inc. Income Statement FME 9/30/99		XYZ Company, Inc. Statement of Retained Earnings FME 9/30/99	
Revenue	12,000	Beg Balance R/E	0
Operating Expenses	9,000	Net Income	3,000
Net Income	3,000	Dividends Paid	2,000
		Ending Balance R/E	1,000

-6,000
-3,000

XYZ Company, Inc. Balance Sheet As of 9/30/99			
Assets		Liabilities & Owners' Equity	
Cash	16,000	Note Payable	5,000
Accounts Rec.	12,000	Common Stock	30,000
Inventory	4,000	Retained Earnings	4,000
Equipment	9,000		
Total Assets	39,000	Total Liabilities & OE	39,000

XYZ Company, Inc. Statement of Cash Flows For Month Ended 9/30/99	
<u>Operating Activities</u>	
office equipment	-4,000
rent expense	-3,000
inventory	-10,000
Net increase/decrease from operating activities	-17,000
<u>Investing Activities</u>	
office equipment	-4,000
Net increase/decrease from investing activities	-4,000
<u>Financing Activities</u>	
owner's contribute	30,000
borrow from bank	5,000
dividend	-2,000
Net increase/decrease from financing activities	+33,000
Net increase/decrease in cash balance	+16,000
Beginning cash balance	0
Ending cash balance	+16,000