# *Lab 7 – Introduction to Financial Accounting*

Date assigned: Tuesday, April 12, 2016

Date due: **Friday, April 15, 2016, 9:00 a.m.**

**Learning Objectives**

Upon successful completion of this assignment, the student will be able to:

* Use the basic accounting equation
* Analyze balance sheets and income statements
* Calculate and compare financial ratio’s

To do:

Save this document as a Word document named **YourUserName\_E01\_L07\_Accounting.docx** in your 420-E01 folderin your home drive. The document will hold your answers for your lab.

**This week the lab is split over 2 days. On each of Tuesday and Friday, there will be a 1 hour portion provided for this lab. Questions 1 – 4 should be completed on Tuesday, and questions 5 -8 should be completed on Friday.**

1. Determine the missing amount for each of the following equations: **(3 marks)**

|  |  |  |
| --- | --- | --- |
| Assets = Liabilities + Owner’s Equity | | |
| 1. $75,000 | $40,500 | $34,500 |
| 1. $300,000 | $214,500 | $85,500 |
| 1. $282,900 | $187,500 | $95,400 |

1. For each item, state which financial statement or statements (Income, Balance or Neither) it should be presented on. **(8 marks)**
2. Office Supplies

* Balance

1. Office Supplies expense

* Balance

1. Accounts receivable

* Income

1. Accounts payable

* Balance

1. Net loss

* Balance

1. Office equipment

* Neither

1. Owner, withdrawals

* Balance

1. Notes payable

* Balance

1. Utilities expense

* Balance

1. Furniture

* Neither

1. Rent revenue

* Balance

1. Consulting fees earned

* Income

1. Service fees earned

* Income

1. Salaries expense

* Balance

1. Owner, investments

* Income

1. Net income

* Income

1. State which part of the balance sheet (Asset, Liability, Owner’s Equity, Does not appear on balance sheet) each item should be presented on. **(5 marks)**
2. Net loss

* assets

1. Office supplies

* assets

1. Accounts payable

* liability

1. Accounts receivable

* assets

1. Owner’s investment

* equity

1. Furniture

* assets

1. Net income

* equity

1. Notes payable

* Liability

1. Owner’s withdrawals

* equity

1. Truck

* assets

**To submit**

When you have completed the assignment, upload the **YourUserName\_E01\_L07\_Accounting.docx** document to Moodle.