

## Balance Sheet Exercises

Name \_\_\_\_\_

A. The accounting equation can be expressed as: Assets minus Liabilities equals Owner's Equity. In other words, Own minus Owe equals Worth. Complete the table below:

Assets	Liabilities	Owner's Equity
\$ 2,397	\$ 1,457	1.
\$ 12,629	\$ 9,462	2.
\$ 50,388	\$ 5,294	3.
4.	\$62,300	\$ 2,937
5.	\$ 4,543	\$94,123
\$ 8,832	6.	\$ 8,000
\$ 4,765	7.	\$ 400
\$ 120,654	\$38,621	8.

B. Complete the blanks below. Calculate the percents as a fraction of assets rounded to two decimal places.

## Bill's Bath Shoppe

## Balance Sheet

31-Dec-10

Assets	Amount	Percent
Cash	\$ 5,400.00	13.
Inventory	\$ 3,200.00	14.
Supplies	\$ 1,298.00	15.
Prepaid Insurance	\$ 300.00	16.
Office Equipment	\$ 10,400.00	17.
Building	\$ 20,800.00	18.
Total Assets	9.	19.
Liabilities		
Accounts Payable	\$ 500.00	20.
Notes Payable	\$ 1,800.00	21.
Mortgage Payable	\$ 13,400.00	22.
Total Liabilities	10.	23.
Owner's Equity		
Bill Boogie, Capital	11.	24.
Total Liabilities and Owner's Equity	12.	25.

C. A comparative balance sheet is used to show both the absolute and percentage changes for a business between years. Find the amount of change in dollars and the percentage change for the balance sheet below.

Juan's Vacuum Repair Shop  
Comparative Balance Sheet  
31-Dec-10

Assets	Year 2	Year 1	Amount of Change	Percent Of Change
Cash	\$ 15,456.00	\$ 14,258.00	26.	39.
Inventory	\$ 6,398.00	\$ 7,238.00	27.	40.
Supplies	\$ 2,347.00	\$ 1,500.00	28.	41.
Prepaid Insurance	\$ 1,000.00	\$ 1,000.00	29.	42.
Office Equipment	\$ 20,500.00	\$ 19,500.00	30.	43.
Building	\$ 100,000.00	\$ 102,000.00	31.	44.
<b>Total Assets</b>	<b>\$ 145,701.00</b>	<b>\$ 145,496.00</b>	<b>32.</b>	<b>45.</b>
Liabilities				
Accounts Payable	\$ 35,000.00	\$ 20,200.00	33.	46.
Notes Payable	\$ 23,500.00	\$ 20,200.00	34.	47.
Mortgage Payable	\$ 30,000.00	\$ 29,500.00	35.	48.
<b>Total Liabilities</b>	<b>\$ 88,500.00</b>	<b>\$ 69,900.00</b>	<b>36.</b>	<b>49.</b>
Owner's Equity				
Bill Boogie, Capital	\$ 57,201.00	\$ 75,596.00	37.	50.
<b>Total Liabilities and Owner's Equity</b>	<b>\$ 145,701.00</b>	<b>\$ 145,496.00</b>	<b>38.</b>	<b>51.</b>

D. Is this company a good investment? Why or why not? Be sure to describe which aspects on the balance sheet aided you in your decision making.