

# Balanced vs. Unbalanced

## Directions:

Analyze the following scenarios and create a balance sheet which represents the scenario. Identify whether the sheet is balanced or unbalanced and why.

1. La Napoli, an Italian restaurant, has a balance sheet with the following assets: Cash = \$44,500, Equipment = \$3,300, Inventory = \$2,700, and Accounts Receivable = \$10,000. La Napoli's liabilities are: Accounts Payable = \$7,850 and Notes Payable = \$12,650. Fill out the balance sheet below.

Assets		Liabilities	
Cash	44,500	Accounts Payable	7,850
Equipment	3,300	Notes Payable	12,650
Inventory	2,700		
Accounts Receivable	10,000		
Total Assets	\$60,500	Total Liabilities	\$20,500

2. Is this a balanced or unbalanced sheet? Why?

**Unbalanced because Total Assets do not equal Total Liabilities and Owner's Equity is missing**

3. Pizza Bella, a pizza restaurant, has a balance sheet with the following assets: Cash = \$12,500, Equipment = \$5,300, Inventory = \$2,300, and Accounts Receivable = \$5,000. Pizza Bella's liabilities are: Accounts Payable = \$11,850 and Notes Payable = \$10,650. Fill out the balance sheet below.

Assets		Liabilities	
Cash	12,500	Accounts Payable	11,850
Equipment	5,300	Notes Payable	10,650
Inventory	2,300		
Accounts Receivable	5,000		
Total Assets	\$25,100	Total Liabilities	\$22,500

4. Is this a balanced or unbalanced sheet? Why?

**Unbalanced because Total Assets do not equal Total Liabilities and Owner's Equity is missing**

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5. HighPoint, an upscale restaurant, has a balance sheet with the following assets: Cash = \$62,500, Equipment = \$25,300, Inventory = \$32,300, and Accounts Receivable = \$25,000. HighPoint's liabilities are: Accounts Payable = \$104,150 and Notes Payable = \$40,950. Fill out the balance sheet below.

Assets		Liabilities	
Cash	62,500	Accounts Payable	104,150
Equipment	25,300	Notes Payable	40,950
Inventory	32,300		
Accounts Receivable	25,000		
Total Assets	\$145,100	Total Liabilities	\$145,100

6. Is this a balanced or unbalanced sheet? Why?

**Balanced because Total Assets equal Total Liabilities and Owner's Equity is missing**