

Preparing Financial Statements Practice

Answer Key

Brad's Graphic Arts Trial Balance October 31, 2005		
Account Title	Debit	Credit
Cash	\$7,300	
Accounts Receivable	5,600	
Office Supplies	1,300	
Equipment	10,200	
Furniture and Fixtures	6,300	
Bank Loan		\$5,500
Accounts Payable		4,800
Common Stock		15,000
Services Revenue		<u>18,500</u>
Rent Expense	3,300	
Office Supplies Used	4,300	
Telephone expense	1,800	
Salaries Expense	2,500	
Utilities Expense	<u>1,200</u>	
	<u>\$43,800</u>	<u>\$43,800</u>

Brad's Graphic Arts
Income Statement
For the month ended October 31, 2005

Revenue

Services Revenue	\$18,500
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Expenses

Rent Expense	\$3,300
Office Supplies Used	4,300
Utilities Expense	1,200
Telephone expense	1,800
Salaries Expense	2,500
Total Expenses	13,100
Net Income	\$5,400

Brad's Graphic Arts
Balance Sheet
As at October 31, 2005

Assets

Cash	\$7,300
Accounts Receivable	5,600
Office Supplies	1,300
Equipment	10,200
Furniture and Fixtures	6,300
Total Assets	\$30,700

Liabilities

Bank Loan	5,500
Accounts Payable	4,800
	\$10,300

Equity

Common Stock	\$15,000
Net Income	5,400
Total Liabilities and Equity	\$30,700