

Problem-Solving Example

SCROLL DOWN TO THE BOTTOM FOR EXERCISE

In the blank space beside each number balance sheet item, enter the letter of its balance sheet classification.

If the item should not appear on the balance sheet, enter a Z in the blank.

- A. Current asset
- B. Long-term investments
- C. Plant assets
- D. intangible assets
- E. Current liabilities
- F. Long-term liabilities
- G. Equity

1 Commissions earned	11 Rent receivable
2 Interest receivable	12 Salaries payable
3 Long-term investment in stock	13 Income taxes payable
4 Prepaid insurance	14 Owner, Capital
5 Machinery	15 Office supplies
6 Notes payables (due in 15 years)	16 Interest payable
7 Copyrights	17 Rent revenue
8 Current portion of long-term note payable	18 Notes receivable due in 120 days
9 Accumulated depreciation--Trucks	19 Land (used in operations)
10 Office equipment	20 Depreciation expense- Trucks

Problem-Solving Example Solution

1	Z	11	A
2	A	12	E
3	B	13	E
4	A	14	G
5	C	15	A
6	F	16	E
7	D	17	Z
8	E	18	A
9	E	19	C
10	C	20	Z

Name _____ Date _____

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- A. Current asset
- B. Long-term investments
- C. Plant assets
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- E. Current liabilities
- F. Long-term liabilities
- G. Equity

- _____ 1 Long term investment in stock
- _____ 2 Depreciation expense--Building
- _____ 3 Prepaid rent
- _____ 4 Interest receivable
- _____ 5 Taxes payable
- _____ 6 Automobiles
- _____ 7 Notes payable (due in 3 years)
- _____ 8 Accounts payable
- _____ 9 Owner, Capital
- _____ 10 Prepaid insurance

- _____ 11 Unearned service revenues
- _____ 12 Accumulated depreciation
- _____ 13 Cash
- _____ 14 Buidling
- _____ 15 Store supplies
- _____ 16 Office equipment
- _____ 17 Land (used in operations)
- _____ 18 Repairs expense
- _____ 19 Office supplies
- _____ 20 Current portion of long-term note payable

Place your solution here

- 1 _____
- 2 _____
- 3 _____
- 4 _____
- 5 _____
- 6 _____
- 7 _____
- 8 _____
- 9 _____
- 10 _____

- 11 _____
- 12 _____
- 13 _____
- 14 _____
- 15 _____
- 16 _____
- 17 _____
- 18 _____
- 19 _____
- 20 _____