

TOPIC F: BASIC FINANCE-BALANCE SHEET

Al's Hardware, Inc.
Balance Sheet
December 1- 31, 2010

Assets	
Cash	\$20,000
Accounts receivable	\$40,000
Inventory	\$30,000
Plant and equipment	\$90,000

Total Assets **\$180,000**

Liabilities	
Accounts payable	\$30,000
Wages payable	\$40,000
Notes Payable	\$60,000

Total Liabilities **\$130,000**

Owner's Equity **\$50,000**

Jan's KnickKnacks
Balance Sheet
December 1- 31, 2010

Assets	
Cash	\$18,000
Accounts receivable	\$25,000
Inventory	\$10,000
Plant and equipment	\$35,000

Total Assets **\$88,000**

Liabilities	
Accounts payable	\$52,000
Wages payable	\$10,000
Notes Payable	\$30,000

Total Liabilities **\$92,000**

Owner's Equity **(\$4,000)**

GBK40

Revision 8.1

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BASIC FINANCE-INCOME STATEMENT

Al's Hardware, Inc.

Income Statement

January 1, 2010, to December 31, 2010

Revenue

Sales	\$150,000
Consulting fees	\$30,000
Interest income	\$10,000
Total Revenue	\$190,000

Expenses

Cost of goods sold	\$50,000
Salaries	\$40,000
Advertising	\$10,000
Rent	\$20,000
Utilities	\$5,000
Depreciation	\$10,000
Total Expenses	\$135,000

Net Income **\$55,000**

Jan's KnickKnacks

Income Statement

January 1, 2010, to December 31, 2010

Revenue

Sales	\$120,000
Consulting fees	\$76,000
Interest income	\$42,000
Total Revenue	\$238,000

Expenses

Cost of goods sold	\$90,000
Salaries	\$60,000
Advertising	\$27,000
Rent	\$25,000
Utilities	\$8,000
Depreciation	\$30,000
Total Expenses	\$240,000

Net Income **(\$2,000)**

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