

<u>Equity</u>			
Capital Stock		xxx	
Additional paid in capital		xxx	
Withdrawals		xxx	
Retained earnings		xxx	
Total Equity		xxx	
Total liabilities & Equity			XXX

Example 1 / The following are balances taken from the ledger of Apple trading company at 31/12/2011:

Cash 1425 , Merchandise Inventory \$1200 , Bank 1550 , Accounts Receivable 675 , Land 5300 , Building 3200 , Accumulated Depreciation – Building 200 , Furniture 3250 , Withdrawals 200 , Capital 12,805 , Accounts Payable 400 , Notes Payable 500 , Prepaid Insurance 150 , Long Term Loans 150 , Accrued Rent 125 , Goodwill 450 , Retained Earnings 3220 .

Required : Prepare Balance Sheet as at 31/12/2011.

Apple Company			
Balance Sheet as at 31/12/2011			
<u>Assets</u>			
Non-Current Assets:			
Property, plant, and equipment			
Land		\$5,300	
Building	\$3,200		
Less: Accumulated Depreciation – Building	(200)	3,000	
Furniture		3,250	

Total Property, plant, and equipment			\$11,550
Intangible Assets			
Goodwill			450
Total Non-Current Assets			12,000
<u>Current Assets:</u>			
Cash		1425	
Bank		1,550	
Accounts Receivable		675	
Merchandise Inventory		1,200	
Prepaid Insurance		150	
Total Current Assets			5,000
Total Assets			17,000
<u>Liabilities and Equity</u>			
<u>Non-current liabilities :</u>			
Long Term Loans		150	
<u>Current liabilities :</u>			
Accounts Payable	\$400		
Notes Payable	500		
Accrued Rent	125		
Total current Liabilities		1,025	
Total Liabilities			1,175

<u>Equity:</u>			
Capital		\$12,805	
Withdrawals		(200)	
Retained Earnings		3,220	
Total Equity			<u>\$15,825</u>
<u>Total Liabilities and Equity</u>			<u>17,000</u>

Example 1 / Presented below is the adjusted trial balance of **Kelly** Corporation at December 31, 2017.

	Debit	Credit
Cash	\$ 6,850	
Supplies	1,200	
Prepaid Insurance	1,000	
Equipment	48,000	
Accumulated Depreciation—Equipment		\$ 9,000
Trademarks	950	
Accounts Payable		10,000
Salaries and Wages Payable		500
Unearned Service Revenue		2,000
Bonds Payable (due 2024)		9,000

Common Stock	10,000
Retained Earnings	20,000
Service Revenue	10,000
Salaries and Wages Expense	9,000
Insurance Expense	1,400
Rent Expense	1,200
<u>Interest Expense</u>	<u>900</u>
<u>Total</u>	<u>\$ 70,500</u>
	\$ 70,500

Additional information:

Net loss for the year was \$2,500.

Required:

Prepare a classified balance sheet as of December 31, 2017.

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**Kelly Corporation
Balance Sheet
Dec 31, 2017**

Assets

Non-current Assets

Property, plant, and equipment

Equipment	£48,000
Less: Accumulated depreciation—equipment...	(9,000)
Total property, plant, and equipment.....	£39,000

Intangible assets

Trademark..... **950**

Total Non-current Assets **39,950**

Current assets

Supplies..... 1,200

Prepaid insurance 1,000

Cash 6,850

Total current assets **9,050**

Total assets **£49,000**

Liabilities and Equity**Non-current liabilities**

Bonds payable **£ 9,000**

Current liabilities

Accounts payable..... £10,000

Salary and Wages payable 500

Unearned service revenue..... 2,000

Total current liabilities **12,500**

Total liabilities **21,500**

Equity

Common Stock £10,000

Retained earnings (£20,000 – £2,500)..... 17,500

Total equity **£27,500**

Total equity and liabilities **£49,000**