

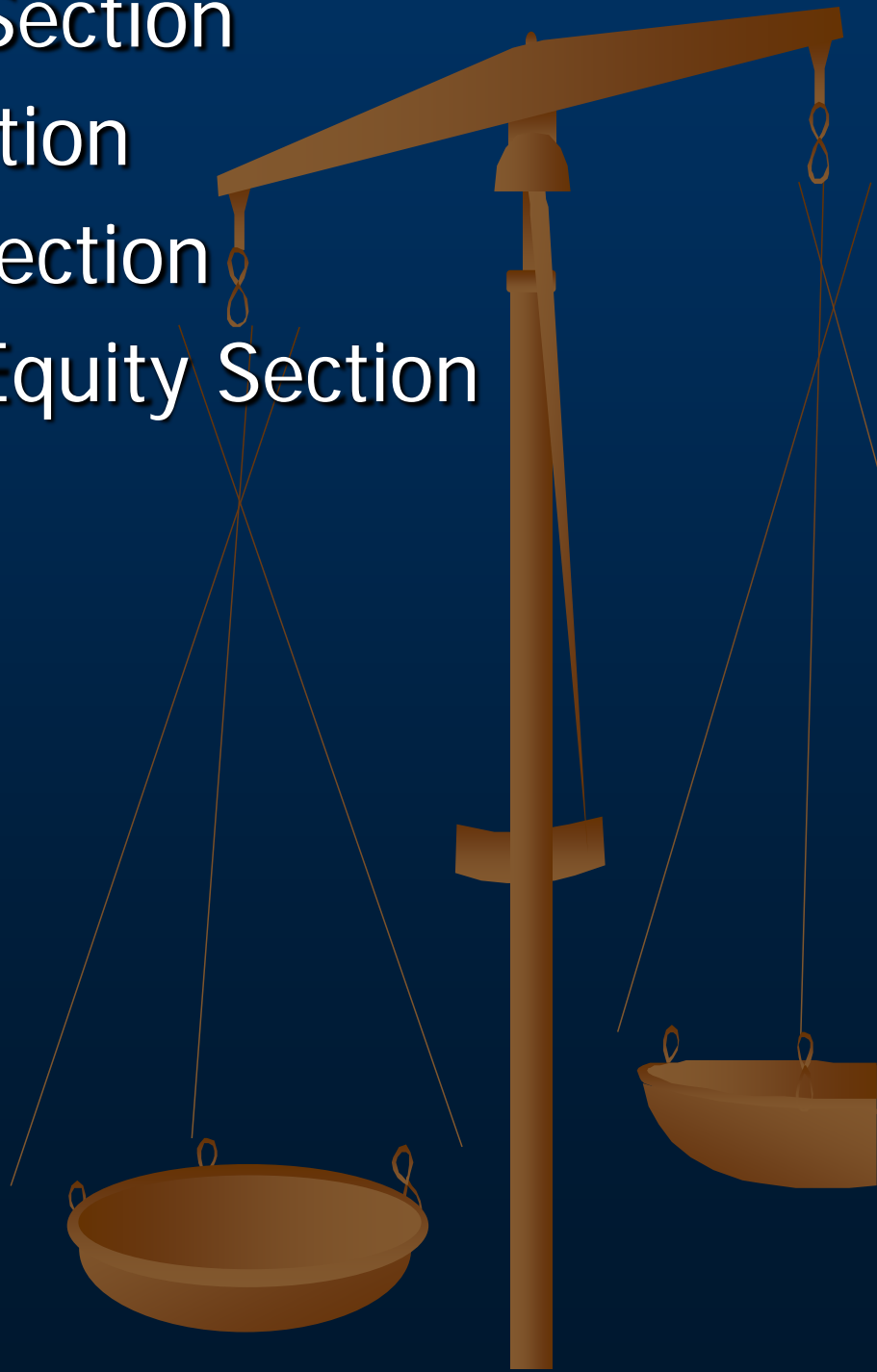
Preparing The Balance Sheet



Entrepreneurship 12

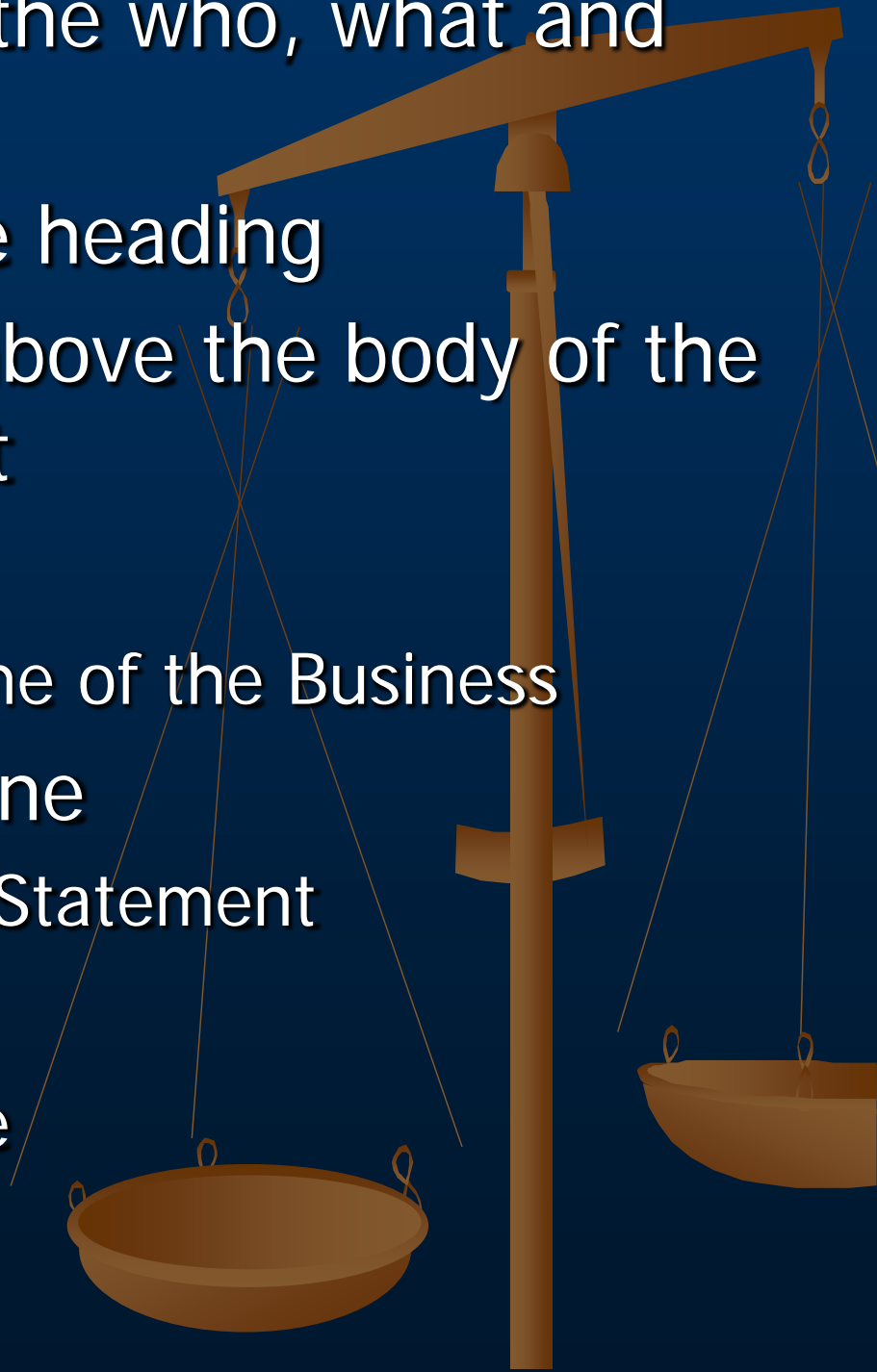
4 Parts of Balance Sheet

- Heading Section
- Asset Section
- Liability Section
- Owner's Equity Section

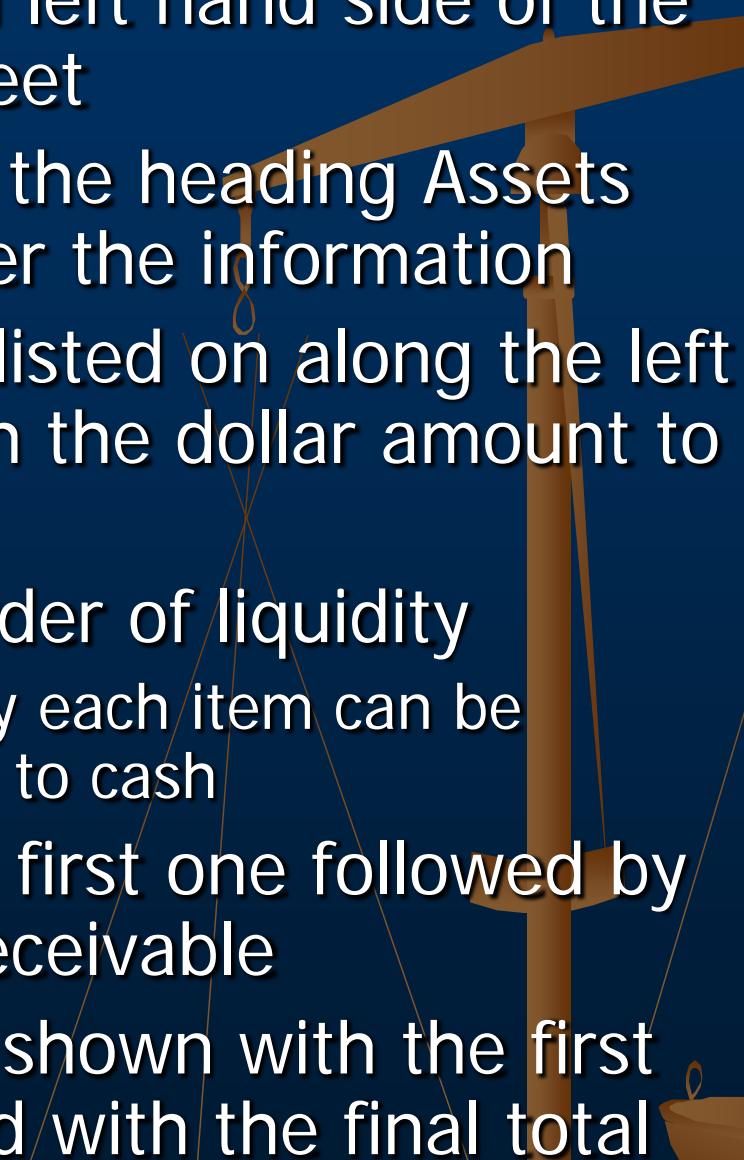


Heading

- Contains the who, what and when
- Three line heading
- Centred above the body of the statement
- First line
 - The Name of the Business
- Second Line
 - Type of Statement
- Third line
 - The date

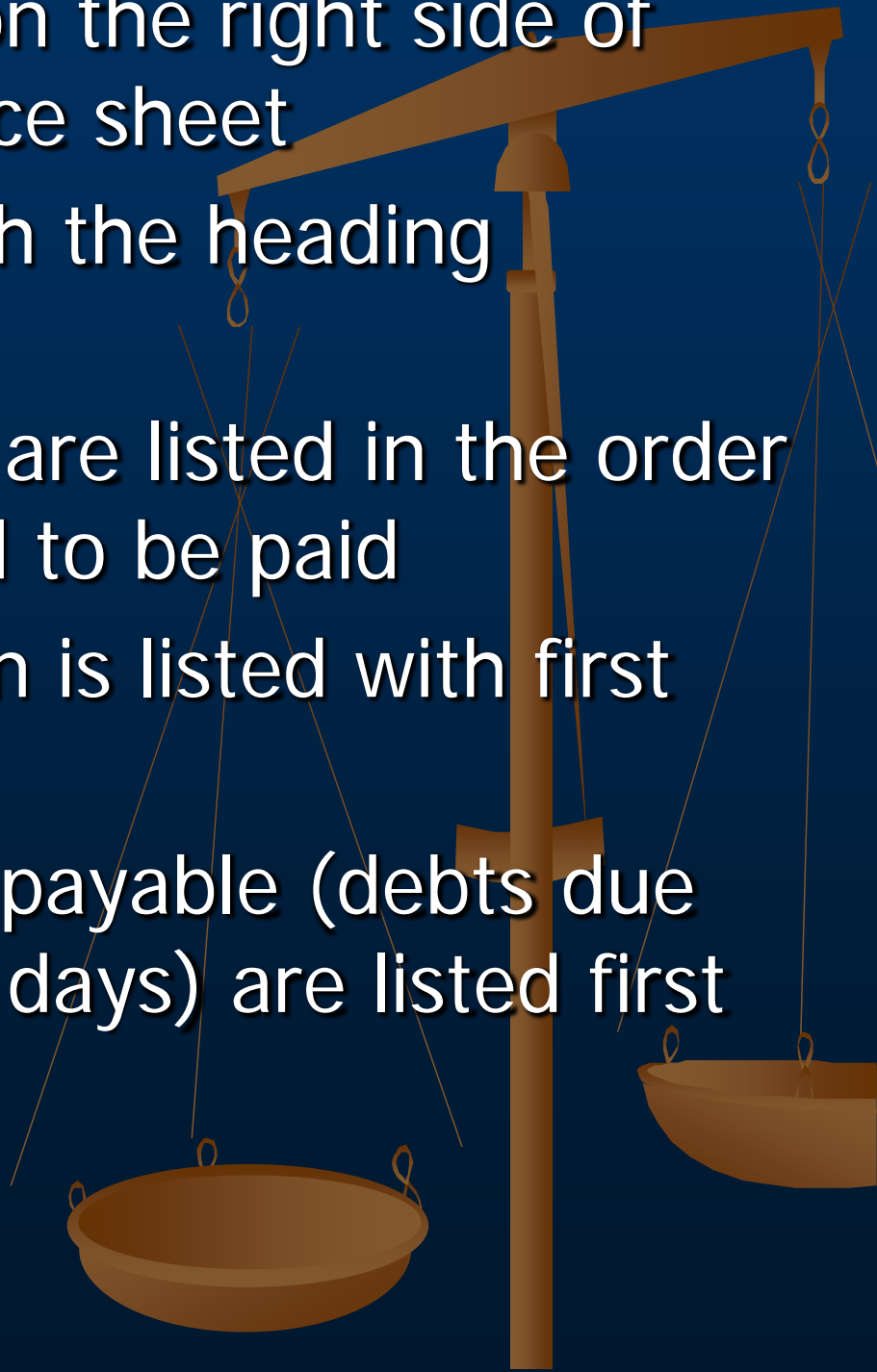


Asset Section

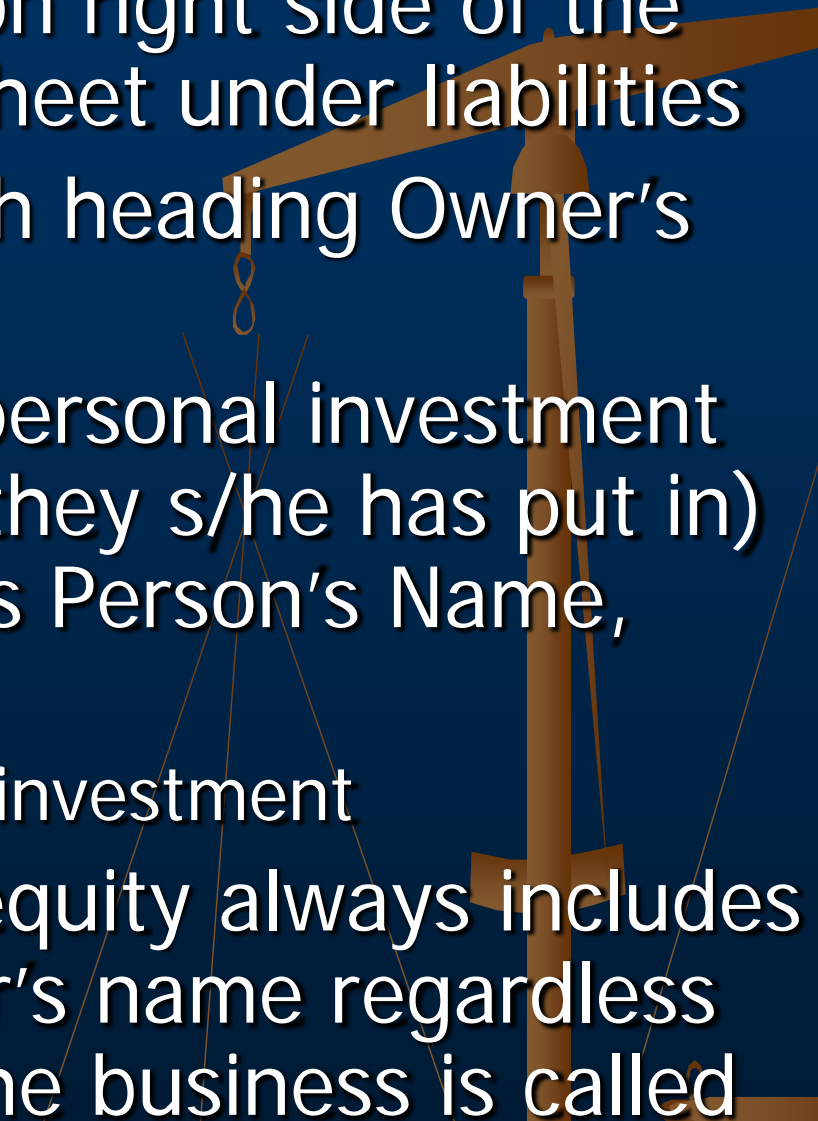
- Appears on left hand side of the balance sheet
 - Starts with the heading Assets centred over the information
 - Assets are listed on along the left margin with the dollar amount to the right
 - Listed in order of liquidity
 - How easily each item can be converted to cash
 - Cash is the first one followed by accounts receivable
 - Dollar sign shown with the first amount and with the final total
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Liabilities Section

- appears on the right side of the balance sheet
- Starts with the heading Liabilities
- Liabilities are listed in the order they need to be paid
- Dollar sign is listed with first item
- Accounts payable (debts due within 30 days) are listed first



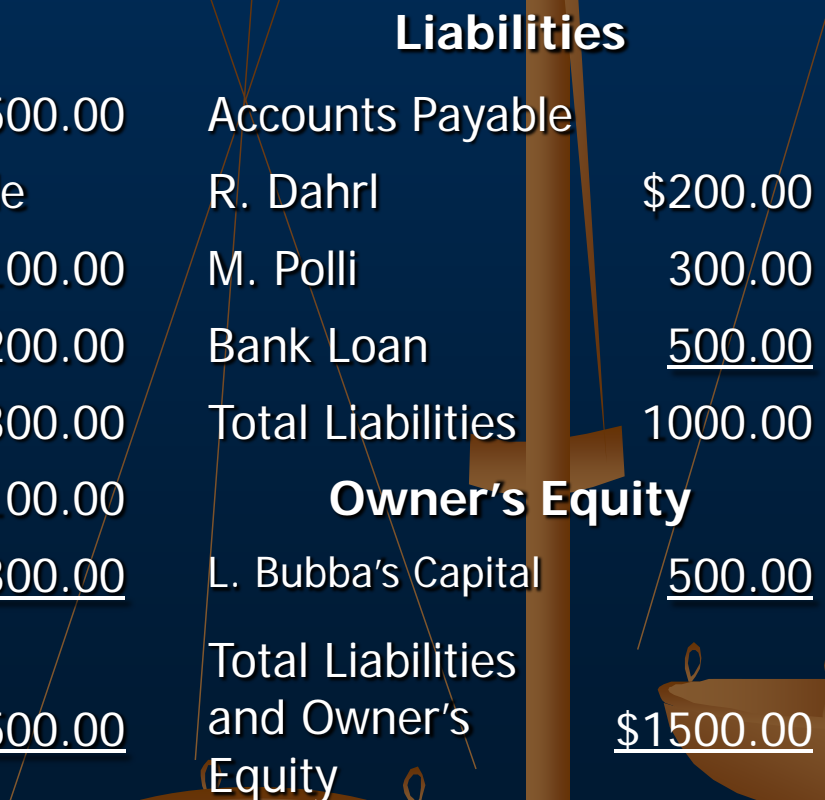
Owner's Equity Section

- Appears on right side of the balance sheet under liabilities
 - Starts with heading Owner's Equity
 - Owner's personal investment (amount they s/he has put in) is listed as Person's Name, Capital
 - Capital=investment
 - Owner's equity always includes the owner's name regardless of what the business is called
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General Notes

- Total assets must equal the total liabilities + Owner's Equity

Bubba's Bubblegum Store
Balance Sheet
November 26, 2001



Assets		Liabilities	
Cash	\$500.00	Accounts Payable	
Accounts Receivable		R. Dahrl	\$200.00
L. Park	100.00	M. Polli	300.00
C. Window	200.00	Bank Loan	<u>500.00</u>
Supplies	300.00	Total Liabilities	1000.00
Equipment	100.00	Owner's Equity	
Building	<u>300.00</u>	L. Bubba's Capital	<u>500.00</u>
Total Assets	<u>\$1500.00</u>	Total Liabilities and Owner's Equity	<u>\$1500.00</u>