

1	Cash	10,000	
	Common Stock		10,000
	Sold Stock		
2	Cash	30,000	
	Note Payable - Aunt Susie		30,000
	Borrowed Money		
3	Inventory	18,000	
	Cash		18,000
	Bought inventory (6 x \$3,000)		
4	Cash	32,000	
	Sales		32,000
	Sold widgets (4 x \$8,000)		
5	COGS	12,000	
	Inventory		12,000
	Record COGS (4 x \$3,000)		
6	Security Deposit	1,000	
	Cash		1,000
	Paid security deposit		
7	Rent Expense	13,200	
	Cash		13,200
	Paid rent		
8	Advertising Expense	800	
	Cash		800
	Paid advertising		
9	Vehicles	20,000	
	Cash		5,000
	Land Payable		15,000
	Bought van		
10	Interest Expense	3,000	
	Cash		3,000
	Paid interest on loan		
11	Tax Expense	900	
	Taxes Payable		900
	Record Taxes		
12	Sales	32,000	
	COGS		12,000
	Advertising Expense		800
	Rent Expense		13,200
	Interest Expense		3,000
	Tax Expense		900
	Retained Earnings		2,100
	Close the year		



Widgets, Inc  
Balance Sheet  
December 31, 2016

Assets		Liabilities	
Current Assets		Current Liabilities	
Cash	\$ 31,000	Taxes Payable	\$ 900
Inventory	<u>6,000</u>	Note Payable - Van	<u>15,000</u>
Total Current Assets	37,000	Total Current Liabilities	<u>15,900</u>
Fixed Assets		Long-Term Debt	
Delivery Van	20,000	Note Payable-Aunt	<u>30,000</u>
Other Assets		Total Liabilities	<u>45,900</u>
Security Deposit	<u>1,000</u>	Owners' Equity	
Total Assets	<u>\$ 58,000</u>	Common Stock	\$ 10,000
		Retained Earnings	<u>2,100</u>
		Total Owners' Equity	<u>12,100</u>
		Total Liabilities and	
		Owners' Equity	<u>\$ 58,000</u>

Widgets, Inc  
Income Statement  
For the Year Ended December 31, 2016

Sales	\$ 32,000
Cost of Sales	<u>12,000</u>
Gross Margin	20,000
Operating Expenses	
Advertising Expense	800
Rent Expense	<u>13,200</u>
Total Operating Expenses	<u>14,000</u>
Income from Operations	6,000
Other Revenues & <Expenses>	
Interest Expense	<u>3,000</u>
Income Before Taxes	3,000
Tax Expense	<u>900</u>
Net Income	<u>\$ 2,100</u>
Earnings Per Share	<u>\$ 22.11</u>

Widgets, Inc  
Statement of Owners' Equity  
For the Year Ended December 31, 2016

	Shares	Common Stock	Retained Earnings	Totals
Beginning Balance		0	0	0
Issuance of stock	1000	\$ 10,000		\$ 10,000
Net Income			\$ 2,100	2,100
Ending Balance	1000	<u>\$ 10,000</u>	<u>\$ 2,100</u>	<u>\$ 12,100</u>

Hot Dogs, Inc  
Statement of Cash Flows  
For the Year Ended December 31, 2013

Operating Activities	
Net Income	\$ 2,100
Adjustments to Net Income:	
Add: Depreciation Expense	0
Changes in:	
Increase in Inventory	(200)
Increase in Wages Payable	100
Increase in Taxes Payable	<u>4,050</u>
Cash Used for Operating Activities	6,050
Investing Activities	
Purchase of Cart	<u>(10,000)</u>
Financing Activities:	
New Borrowings	10,000
Issuance of Common Stock	<u>15,000</u>
Cash Provided by Financing Activities	<u>25,000</u>
Increase in Cash	21,050
Cash Balance, December 31, 20x0	0
Cash Balance, December 31, 20x1	<u>\$ 21,050</u>

Assets		=	Liabilities		+	Owners' Equity		+	( Revenues )		-	Expenses )			
Cash			Note Payable Aunt			Common Stock			Sales			Cost of Goods Sold			
+	-		-	+		-	+		-	+		+	-		
1	10,000	5,000	9	-	30,000	2	-	10,000	1	-	32,000	4	5	12,000	-
2	30,000	18,000	3												
4	32,000	1,000	6												
		800	8												
		13,200	7												
		3,000	10		15,000	9									
	31,000														
Inventory			Taxes Payable			Retained Earnings						Advertising Expense			
+	-		-	+		-	+					+	-		
3	18,000	12,000	5	-	900	11	-					8	800	-	
	6,000														
Delivery Van												Rent Expense			
+	-											+	-		
9	20,000											7	13,200	-	
Security Deposit												Interest Expense			
+	-											+	-		
6	1,000											10	3,000	-	
												Tax Expense			
												+	-		
												11	900	-	

1 Cash

Common Stock  
Sold Stock

10,000

10,000

Assets	
Cash	
+	-
10,000	

=

Liabilities	
-	+

Owners' Equity	
Common Stock	
-	+
	10,000

( Revenues

Expenses )





4 Cash  
 Sales  
 Sold widgets (4 x \$8,000)

32,000
32,000

Assets		=	Liabilities		+	Owners' Equity		+	( Revenues		-	Expenses )	
Cash			Note Payable Aunt			Common Stock			Sales				
	+		-	+		-	+		-	+			
1	10,000		-	30,000	2	-	10,000	1	-	32,000	4		
2	30,000	18,000	3										
4	32,000												
Inventory													
	+	-											
3	18,000												







7 Rent Expense  
Cash  
Paid rent

13,200	=	13,200
--------	---	--------

Assets	
Cash	
+	-
1 10,000	-
2 30,000	18,000
4 32,000	1,000
13,200	

  

Inventory	
+	-
3 18,000	12,000
6,000	

= Liabilities		+	Owners' Equity	
Note Payable Aunt			Common Stock	
-	+		-	+
-	30,000	2	-	10,000
-			10,000	
-			10,000	

( Revenues		-	Expenses )	
Sales			Cost of Goods Sold	
-	+		+	-
-	32,000	4	5 12,000	-
32,000			12,000	
32,000			12,000	

  

Rent Expense	
+	-
7 13,200	-

Security Deposit	
+	-
6 1,000	-

8 Advertising Expense  
 Cash  
 Paid advertising

800

800

Assets	
Cash	
	+
1	10,000
2	30,000
4	32,000
	-
	18,000
	1,000
	800
	13,200
<hr/>	
Inventory	
	+
3	18,000
	6,000
	-
	12,000

Security Deposit	
	+
6	1,000
	-

= Liabilities		+ Owners' Equity	
Note Payable Aunt		Common Stock	
	-		+
	30,000	2	-
			10,000
3		6	
6		8	
7		7	
	<hr/>		<hr/>
5			

(- Revenues		- Expenses )	
Sales		Cost of Goods Sold	
	-		+
	32,000	4	5
			12,000
			-
			-
			800
			-
			-
			13,200
			-
			-

9 Vehicles  
 Cash  
 Van Payable  
 Bought van

20,000  
 5,000  
 15,000

Assets	
Cash	
+	-
1 10,000	5,000
2 30,000	18,000
4 32,000	1,000
	800
	13,200
<hr/>	
Inventory	
+	-
3 18,000	12,000
	6,000

Vehicles	
+	-
9 20,000	
<hr/>	
Security Deposit	
+	-
6 1,000	

= Liabilities	
Note Payable Aunt	
-	+
9 -	30,000
	2
<hr/>	
Van Payable	
-	+
7 -	15,000
	9
<hr/>	
5	

+ Owners' Equity	
Common Stock	
-	+
2 -	10,000
	1
<hr/>	
Retained Earnings	

- ( Revenues	
Sales	
-	+
-	32,000
	4

Expenses )	
Cost of Goods Sold	
+	-
5 12,000	

Advertising Expense	
+	-
8 800	

Rent Expense	
+	-
7 13,200	





