**Balance Sheet Activities**

**Activity 7**

L. Franklin operates a fashion business specialising in custom T-shirts. He has provided you with his balance sheet as at 30 June 2016. Unfortunately, he has omitted a number of transactions. Prepare a **narrative format balance sheet** inclusive of the changes.

*Nina & Al Paso Fashion*

*Balance Sheet as at 30 June 2016*

|  |  |  |  |
| --- | --- | --- | --- |
|  | $ |  | $ |
| **Current Assets**  |  | **Current Liabilities**  |  |
| Cash at bank | 18,000 | Creditors  | 4,000 |
| Debtors | 9,000 | Short term loan | 6,000 |
| Stock of materials | 2,000 |  | **10,000** |
|  | **29000** | **Non-Current Liabilities**  |  |
| **Non-current Assets** |  | Mortgage on premises | 15,000 |
| Premises | 40,000 | Long term loan | 6,000 |
| Equipment  | 12,000 |  | **21,000** |
| Delivery Vehicle  | 4,000 |  | **31,000** |
|  | **56,000** | **Owner’s Equity**  |  |
|  |  | Capital, L. Franklin  | 54,000 |
|  | **85,000** |  | **85,000** |

***Transactions***

1. Bought $2,000 worth of equipment
2. Received $500 from debtors
3. L. Franklin withdrew $2,000 from the business bank account
4. Paid $1,000 to creditors

**Activity 8**

L. James owns and operates a successful talent agency. He has the following balance sheet as at 9 April 2014. He must prepare a narrative format balance sheet inclusive of a number of transactions his accountants forgot to include. He has asked you to complete it for him.

|  |  |  |  |
| --- | --- | --- | --- |
|  | $ |  | $ |
| **Current Assets**  |  | **Current Liabilities**  |  |
| Cash at hand | 2,000 | Creditor – Florida Power  | 2,300 |
| Debtor – Miami Heat  | 1,000 |  | **2,300** |
|  | **3,000** | **Non-Current Liabilities** |  |
| **Non-current Assets** |  | Mortgage | 34,000 |
| Land & buildings  | 60,000 |  | **34,000** |
| Office furniture  | 3,000 |  | **36,300** |
| Vehicle  | 2,000 | **Owner’s Equity** |  |
|  |  | Capital, L. James | 31,700 |
|  | **68,000** |  | **68,000** |

***Transactions***

1. Paid Florida Power $600
2. Received $500 from Miami Heat
3. Purchased Office Stationery for cash $200
4. L. James contributed his own trailer to the business worth $1,500
5. Some new office furniture was purchased for $400 cash

**Activity 9**

Each of the following balance sheet extracts was prepared after the completion of a transaction. Study each successive balance sheet carefully and explain, on the lines provided, the transaction(s) that resulted in those changes. The first one has been completed for you.

1.

|  |  |  |  |
| --- | --- | --- | --- |
| **Current Assets**Bank | 20,000 | **Owner’s Equity**Capital | 20,000 |

The owner has contributed $20,000 to the business\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2.

|  |  |  |  |
| --- | --- | --- | --- |
| **Current Assets**BankInventories**Non-Current Assets**Computer | 12,5004,5003,000 | **Owner’s Equity**Capital | 20,000 |

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

3.

|  |  |  |  |
| --- | --- | --- | --- |
| **Current Assets**BankInventories**Non-Current Assets**ComputerMotor Vehicle | 10,5004,5003,0008,000 | **Current Liabilities**Account Payable – AZZ Motors **Owner’s Equity**CapitalLess: Drawings | 8,00020,000(2,000) |

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

4.

|  |  |  |  |
| --- | --- | --- | --- |
| **Current Assets**BankInventories**Non-Current Assets**ComputerMotor Vehicle | 7,5004,5003,0008,000 | **Current Liabilities**Account Payable – AZZ Motors **Owner’s Equity**CapitalLess: Drawings | 6,00020,000(3,000) |

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_