

Name \_\_\_\_\_



Date \_\_\_\_\_

## Student Worksheet - Trial Balance and Financial Statement Preparation

1. A \_\_\_\_\_ proves the equality of the debit and credit balances of all the accounts in the \_\_\_\_\_ .
  
2. When a balance sheet is prepared with the three sections vertical to one another it is called the \_\_\_\_\_ form.
  
3. When the balance sheet is prepared with assets on the left and liabilities and equity on the right, it is called the \_\_\_\_\_ form.
  
4. Using the following list of month end account balances for Brad's Graphic Arts on October 31, 2005, prepare a trial balance, an income statement and a balance sheet in report form for them.

Accounts Payable	\$ 4,800
Cash	7,300
Salaries Expense	2,500
Bank Loan	5,500
Services Revenue	18,500
Rent Expense	3,300
Common Stock	15,000
Telephone expense	1,800
Accounts Receivable	5,600
Utilities Expense	1,200
Furniture and Fixtures	6,300
Equipment	10,200
Office Supplies	1,300
Office Supplies Used	4,300

Name \_\_\_\_\_



Date \_\_\_\_\_

## Answer Key

1. A \_\_\_\_\_ (trial balance) proves the equality of the debit and credit balances of all the accounts in the \_\_\_\_\_ (general ledger).
  
2. When a balance sheet is prepared with the three sections vertical to one another it is called the \_\_\_\_\_ (report) form.
  
3. When the balance sheet is prepared with assets on the left and liabilities and equity on the right, it is called the \_\_\_\_\_ (account) form.

Brad's Graphic Arts Trial Balance October 31, 2005		
Account Title	Debit	Credit
Cash	\$7,300	
Accounts Receivable	5,600	
Office Supplies	1,300	
Equipment	10,200	
Furniture and Fixtures	6,300	
Bank Loan		\$5,500
Accounts Payable		4,800
Common Stock		15,000
Services Revenue		<u>18,500</u>
Rent Expense	3,300	
Office Supplies Used	4,300	
Telephone expense	1,800	
Salaries Expense	2,500	
Utilities Expense	<u>1,200</u>	
	<u>\$43,800</u>	<u>\$43,800</u>

Name \_\_\_\_\_



Date \_\_\_\_\_

Brad's Graphic Arts  
Income Statement  
For the month ended October 31, 2005

Revenue

Services Revenue	\$18,500
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Expenses

Rent Expense	\$3,300
Office Supplies Used	4,300
Utilities Expense	1,200
Telephone expense	1,800
Salaries Expense	2,500

Total Expenses	13,100
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Net Income	\$5,400
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Brad's Graphic Arts  
Balance Sheet  
As at October 31, 2005

**Assets**

Cash	\$7,300
Accounts Receivable	5,600
Office Supplies	1,300
Equipment	10,200
Furniture and Fixtures	6,300
Total Assets	\$30,700

*Liabilities*

Bank Loan	5,500
Accounts Payable	4,800
	\$10,300

*Equity*

Common Stock	\$15,000
Net Income	5,400
Total Liabilities and Equity	\$30,700