

Sole Man, A Shoe Repair Business

Worksheet, Income Statement, Balance Sheet



Adjusted Trial Balance Information

The adjusted trial balance accounts for Sole Man are listed below, along with their balance for the month ended November 30, 2018. All of the accounts have a normal balance.

Before completing the worksheet on the next page, you will need to determine:

- (1) The correct order for the accounts: Assets (liquidity), Liabilities (payables first), Owner's Equity, Revenues, Expenses (alphabetical).
- (2) Whether each account's normal balance is a debit or credit.

Account and Balance

Cash \$14,750
Accounts Receivable \$1,250
Supplies \$2,400
Prepaid Advertising \$600
Equipment \$9,000
Accumulated Depreciation – Equipment \$1,000
Accounts Payable \$6,500
Utilities Payable \$500
Unearned Fees \$1,000
Capital \$15,000
Drawing \$3,000
Fees Earned \$11,000
Advertising Expense \$200
Depreciation Expense \$100
Supplies Expense \$1,200
Utilities Expense \$2,500

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Statement of Owner's Equity

Prepare a statement of owner's equity for Sole Man for the month ended November 30, 2018. Make sure to include the correct title at the top of the statement.

The Statement of Owner's Equity is a fairly simple financial statement, however, it can also be the most confusing to prepare. Therefore, I have filled in some of spaces for you.

CAPITAL, NOVEMBER 1, 2018						\$			0	00
ADD: INVESTMENT ON NOVEMBER 1, 2018	\$									
ADD: NET INCOME (from the Income Statement)										
LESS: WITHDRAWAL ON NOVEMBER 30, 2018										
INCREASE IN OWNER'S EQUITY										
CAPITAL, NOVEMBER 30, 2018 *						\$				

*** USE THE ENDING OWNER'S EQUITY AMOUNT THAT YOU JUST CALCULATED ABOVE FOR THE BALANCE SHEET ON THE NEXT PAGE.**

Note that your ending capital amount does NOT equal the amount from your ledger, since we are adding net income and subtracting withdrawals from it. This ending capital amount will be carried over to the balance sheet.

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Balance Sheet

Prepare a balance sheet for Sole Man as of November 30, 2018. Make sure to include the correct title at the top of the statement. There *are* extra lines in the chart.

Table with 18 columns and 22 rows for data entry.

Remember: Your total assets (left side) should balance with your total liabilities plus owner's equity (right side). If the totals DO balance, draw a double underline under each number. If they DO NOT balance, try to find your mistakes.