

Name _____ Date _____

ANSWERS TO SECTION 8.3 REVIEW QUESTIONS (cont.)

- 6. _____
- 7. _____
- 8. _____
- 9. _____
- 10. _____
- 11. _____
- 12. _____
- 13. _____

ANSWERS TO SECTION 8.3 EXERCISES (text p. 276)

Exercise 1, p. 276

- A. Current assets: _____
- B. Fixed assets: _____
- C. Current liabilities: _____
- D. Long-term liabilities: _____
- E. Working capital: _____
- F. Mortgage payable: _____

Name _____ Date _____

ANSWERS TO SECTION 8.3 EXERCISES (cont.)

Exercise 3, p. 277

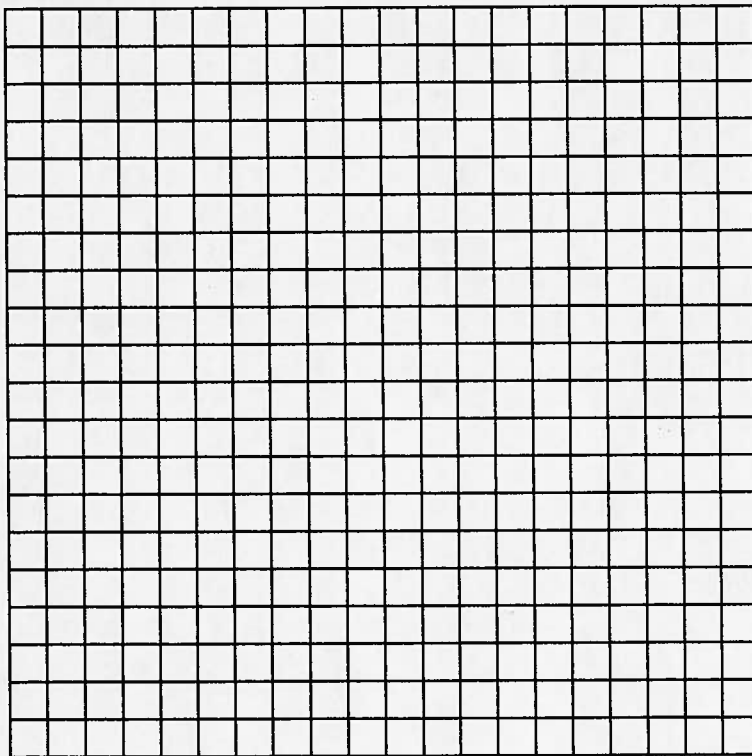
A., B.

**Goodenough Company
Balance Sheet Data**

	Year 1	%*	Year 2	%	Year 3	%	Year 4	%	Year 5	%
Current Assets	\$50 000	_____	\$55 500	_____	\$59 500	_____	\$64 000	_____	\$68 500	_____
Current Liabilities	35 000	_____	38 000	_____	40 000	_____	42 500	_____	45 000	_____
Working Capital	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____

* Calculate percent of Year 1 amount.

C.



ANSWERS TO SECTION 8.3 EXERCISES (cont.)

Exercise 4, p. 278

A.

Balance Sheets				
December 31, 20—				
Items	Neon Company		Radon Company	
	\$	%	\$	%
Assets				
Bank	\$ 3 000		\$14 500	
Accounts Receivable	10 000		5 500	
Plant and Equipment	132 000		53 000	
Automobiles	38 000		26 000	
Total Assets	\$183 000		\$99 000	
Liabilities and Equity				
Accounts Payable	\$ 19 000		\$ 2 200	
Mortgage Payable	92 500		18 000	
Owner's Equity	71 500		78 800	
Total Liabilities and Equity	\$183 000		\$99 000	

B. _____

C. _____

Name _____ Date _____

ANSWERS TO SECTION 8.3 EXERCISES (cont.)

Exercise 5, p. 278

A.

Balance Sheets				
December 31, 20—				
Items	Leo Company		Capricorn Company	
	\$	%	\$	%
Assets				
Bank	\$ 1 000		\$ 31 000	
Accounts Receivable	25 000		—	
Plant and Equipment	150 000		160 000	
Automobiles	50 000		29 000	
Total Assets	\$226 000		\$220 000	
Liabilities and Equity				
Accounts Payable	\$ 25 000		\$ 11 000	
Loan Payable—Automobile	20 000		20 000	
Mortgage Payable	—		150 000	
Owner's Equity	181 000		39 000	
Total Liabilities and Equity	\$226 000		\$220 000	

B. _____

