

**Ex. 4–9**

**PICASSO SPORTS**  
**Statement of Owner's Equity**  
**For the Year Ended June 30, 2010**

Margarita Castillo, capital, July 1, 2009.....		<b>\$190,800</b>
Net loss for year .....	<b>\$ 32,550</b>	
Plus withdrawals .....	<u><b>30,000</b></u>	
Decrease in owner's equity .....		<u><b>62,550</b></u>
Margarita Castillo, capital, June 30, 2010 .....		<u><b>\$128,250</b></u>

**Ex. 4–10**

- a. Current asset: 1, 3, 5, 6
- b. Property, plant, and equipment: 2, 4

**Ex. 4–11**

Since current liabilities are usually due within one year, \$24,000 ( $\$2,000 \times 12$  months) would be reported as a current liability on the balance sheet. The remainder of \$336,000 ( $\$360,000 - \$24,000$ ) would be reported as a long-term liability on the balance sheet.