

Ex. 4–9

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

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