

## **Marketing Virtual Learning**

# HS/Accounting I

Topic: Preparing a Statement of Owner's Equity
April 21, 2020

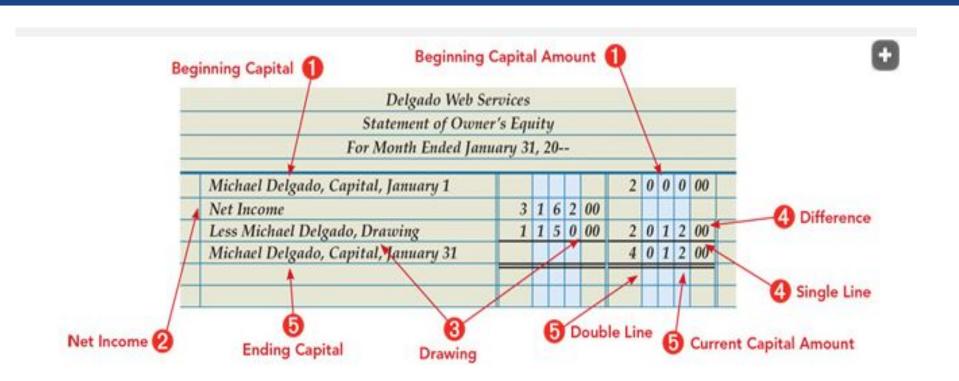
## Lesson Topics - Preparing a Statement of Owner's Equity

#### **Lesson Introduction:**

Watch the <u>video</u> on how to prepare a statement of Owner's equity. https://youtu.be/xvxXhIeAHDM

The purpose of this statement is to bring the owner's equity (capital account) up to date at the end of a fiscal period.

## Lesson Topics - Preparing a Statement of Owner's Equity



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- 1. Use the information on the next slide to prepare the statement of Owner's Equity
- 2. Use the 2nd tab on the google sheet from yesterday's lesson <u>click here for a google sheet</u>, or use the PDF, or write it on paper in the proper format.
- 3. Note the heading should follow this format:
  - a. line 1 name of the company
  - b. line 2 Title "Income Statement"
  - c. line 3 Date (For Month ended ...)

#### 7-R Recycling Problem:

Preparing financial statements with a net loss LO1, 2, 3

Forms are given in the Recycling Problem Working Papers. The following information is obtained from the work sheet of Destin Heating Repair for the month ended April 30 of the current year.

40			100	5					6				7					8						
	ACCOUNT TITLE			INCOME STATEMENT										BALANCE SHEET										
	account make			DEBIT					CREDIT					DEBIT					CREDIT					
1	Cash													6	9	6	0	00						
2	Petty Cash														1	5	0	00						3
3	Accounts Receivable—Jennifer Ford														1	9	6	00						2
4	Supplies	Г													7	8	0	00						I
5	Prepaid Insurance														8	0	0	00						
6	Accounts Payable—Coastal Supplies																		1	1	1	2	00	
7	Isabel Ybarra, Capital	Г																	9	3	3	6	00	
8	Isabel Ybarra, Drawing														6	0	0	00						
0	Income Summary																							
0	Sales	Г							3	2	7	0	00											1
1	Advertising Expense				4	5	0	00																1
2	Cash Short and Over	Г					2	00																1
3	Insurance Expense	Г			1	5	6	00																ı
4	Miscellaneous Expense	T				8	4	00																1
5	Rent Expense		100		5	0	0	00																ı
6	Supplies Expense			1	4	0	0	00																ı
7	Utilities Expense	T		1	6	4	0	00																,
8			1	4				00	3	2	7	0	00	9	4	8	6	00	10	4	4	8	00	Ī
9	Net Loss							ų,		9	6	2	00		9	6	2	00						ı
0				4	2	3	2	00	4		_	_	00					00	10	4	4	8	00	1
1				7					9 - 2							96								2

#### Instructions:

- 1. Prepare an income statement for the month ended April 30 of the current year.
- Calculate and record the ratios for total expenses and net loss. Place the percentage for net loss in parentheses to show that it is for a net loss. Round percentage calculations to the nearest 0.1%.