

The Balance Sheet

The balance sheet shows the financial position of a company at one point of time.

The fundamental accounting equation:

$$\text{Assets} = \text{Liabilities} + \text{Owners equity}$$

Balance Sheet

December 31, 2008

<u>Asset:</u>		<u>Liabilities:</u>	
<u>Current Assets</u>		<u>Current Liabilities</u>	
Cash	XX	Account payable	XX
Accounts receivable	XX	Income tax payable	XX
Inventories	XX	<u>Total</u>	<u>XXX</u>
<u>Total</u>	<u>XXX</u>	<u>Long Term Liabilities</u>	
<u>Fixed Assets</u>		<u>Bonds</u>	
Property	XX	Long term notes	XX
Building	XX	<u>Total</u>	<u>XXX</u>
Equipment	XX	<u>Total Liabilities</u>	
<u>Total</u>	<u>XXX</u>	<u>Owners Equity</u>	
		Common stock	XX
		Retained earnings	XX
		<u>Total</u>	<u>XXX</u>
<u>Total Assets</u>	<u>XXXX</u>	<u>Total Liabilities & Owners Equity</u>	<u>XXXX</u>