

Exercise 1

We know the following items:

Equipment	\$ 7 000
Supplies	\$ 1 600
Utilities expense	\$ 200
Retained earnings	\$ 1 450
Service revenue	\$ 4 700
Share capital – ordinary	?
Accounts payable	\$ 1 600
Cash	\$ 8 050
Advertising expense	\$ 250
Rent expense	\$ 600
Accounts receivable	\$ 1 400
Salaries and wages expense	\$ 900

- Prepare a balance sheet
- Prepare a profit and loss statement (income statement)
- Find out information about:
 - Net income
 - Revenue
 - Expenses
 - Assets
 - Liabilities
 - Equity
 - Total equity and liabilities