

Lesson 10: The Balance Sheet — What Your Business Owns and Owes

Part A: Classify Each Item

Label each item: Current Asset (CA), Non-Current Asset (NCA), Current Liability (CL), Non-Current Liability (NCL), or Equity (E).

Item	Classification
Cash in bank	
Building (owned)	
Accounts receivable	
Long-term bank loan (due in 5 years)	
Accounts payable (due in 30 days)	
Common stock	
Prepaid expenses	
Retained earnings	

Part B: Build a Mini Balance Sheet

Use the data below to complete the balance sheet. Total Assets must equal Total Liabilities + Equity.

Data: Cash \$8,000 | Equipment \$15,000 | Accounts Payable \$4,000 | Long-term Loan \$9,000 | Common Stock \$7,000 | Retained Earnings \$3,000

Assets	Amount (\$)	Liabilities & Equity	Amount (\$)
Total Assets		Total L + E	

Part C: Short Answer

A company has total assets of \$250,000 and total liabilities of \$180,000. What is stockholders' equity? Show the formula.
