The following information is from the September, post-closing trial balance of Dante Nuts and Bolts Company.

*Account Name Debit Credit*

Cash $ 31,000

Short-Term Investments 33,000

Notes Receivable 10,000

Accounts Receivable 276,000

Merchandise Inventory 145,000

Prepaid Rent 1,600

Prepaid Insurance 4,800

Sales Supplies 1,280

Office Supplies 440

Deposit for Future Advertising 3,680

Building, Not in Use 49,600

Land 22,400

Delivery Equipment 41,200

Accumulated Depreciation-Delivery Equipment $ 28,400

Trademark 4,000

Accounts Payable 114,600

Salaries Payable 5,200

Interest Payable 840

Long-Term Notes Payable 80,000

Mr. Dante, Capital 394,960

1. From the information provided, prepare a classified balance sheet for Dante Nuts And Bolts Company.

2. Compute Dante’s Nuts and Bolts current ratio and debt to equity ratio.

3. As a user of the classified balance sheet, why would you want to know the current ratio or the debt to equity ratio?

Classified Balance Sheet