Balance sheet format.

The following balance sheet has been submitted to you by an inexperienced bookkeeper. List your suggestions for improvements in the format of the balance sheet. **Consider both terminology deficiencies as well as classification inaccuracies.**

**Please list all deficiencies and why they should be adjusted. Note: The balance sheet, even with all the corrections, will not balance when completed.**

Jasper Industries, Inc.

Balance Sheet

For the Period Ended 12/31/10

Assets

Fixed Assets—Tangible

 Equipment $110,000

 Less: reserve for depreciation (40,000) $ 70,000

 Factory supplies 22,000

 Land and buildings 400,000

 Less: reserve for depreciation (150,000) 250,000

 Plant site held for future use 90,000 $ 432,000

Current Assets

 Accounts receivable 175,000

 Cash 80,000

 Inventory 220,000

 Treasury stock (at cost) 20,000 495,000

Fixed Assets--Intangible

 Goodwill 80,000

 Notes receivable 40,000

 Patents 26,000 146,000

Deferred Charges

 Advances to salespersons 60,000

 Prepaid rent 27,000

 Returnable containers 75,000 162,000

 TOTAL ASSETS $1,235,000

Liabilities

Current Liabilities

 Accounts payable $140,000

 Allowance for doubtful accounts 8,000

 Common stock dividend distributable 35,000

 Income taxes payable 42,000

 Sales taxes payable 17,000 $ 242,000

Long-Term Liabilities, 5% debenture bonds, due 2013 500,000

Reserve for contingencies 150,000 650,000

 TOTAL LIABILITIES 892,000

Equity

Capital stock, $10.00 par value, issued 12,000 shares with

 60 shares held as treasury stock $150,000

 Capital surplus 90,000

 Dividends paid (20,000)

 Earned surplus 123,000

 TOTAL EQUITY 343,000

 TOTAL LIABILITIES AND EQUITY $1,235,000