

Print by: JUDITH NELSON
ACC/421 - 41824243 / WileyPlus Assignment Week Three

Question 1

(Preparation of a Corrected Balance Sheet)

Bruno Company has decided to expand its operations. The bookkeeper recently completed the balance sheet presented below in order to obtain additional funds for expansion.

BRUNO COMPANY Balance Sheet December 31, 2010	
Current assets	
Cash	\$260,000
Accounts receivable (net)	340,000
Inventories at lower of average cost or market	401,000
Trading securities-at cost (fair value \$120,000)	140,000
Property, plant, and equipment	
Building (net)	570,000
Office equipment (net)	160,000
Land held for future use	175,000
Intangible assets	
Goodwill	80,000
Cash surrender value of life insurance	90,000
Prepaid expenses	12,000
Current liabilities	
Accounts payable	135,000
Notes payable (due next year)	125,000
Pension obligation	82,000
Rent payable	49,000
Premium on bonds payable	53,000
Long-term liabilities	
Bonds payable	500,000
Stockholders' equity	
Common stock, \$1.00 par, authorized	290,000
400,000 shares, issued 290,000	180,000
Additional paid-in capital	?
Retained earnings	?

Prepare a revised balance sheet given the available information. Assume that the accumulated depreciation balance for the buildings is \$160,000 and for the office equipment, \$105,000. The allowance for doubtful accounts has a balance of \$17,000. The pension obligation is considered a long-term liability. **(List current assets in order of liquidity. List multiple entries for Property, plant and equipment, Long-term investments and Current liabilities from largest to smallest amounts, e.g. 10, 5, 3.)**

BRUNO COMPANY
Balance Sheet
December 31, 2010

Assets	
Current assets	
	\$
Less:	
	\$

Total current assets

Long-term investments

Property, plant, and equipment

Less:

Less:

Intangible assets

Total assets

Liabilities and Stockholders' Equity

Current liabilities

Total current liabilities

Long-term liabilities

Add:

Total liabilities

Total liabilities

Stockholders' equity

Common stock, \$1 par, authorized
400,000 shares, issued

290,000 shares

Total stockholders' equity

Total liabilities and

stockholders' equity

Question Attempts: 0 of 3 used