

Chapter 6 Outline

Purposes of the Balance Sheet
Limitations of the Balance Sheet
Balance Sheet Formats
Content of the Balance Sheet
 Current Accounts
 Noncurrent Receivables
 Investments
 Property and Equipment
 Other Assets
 Long-Term Liabilities
 Owners' Equity
 Footnotes
 Consolidated Financial Statements

Competencies

1. Explain the purposes of the balance sheet. (pp. 201–203)
2. Identify the limitations of the balance sheet. (pp. 203–204)
3. Define the various elements of assets, liabilities, and owners' equity as presented on the balance sheet. (pp. 204–215)
4. Explain the use of footnotes in balance sheets, and describe the use of consolidated financial statements. (pp. 215–217)