

Chapter 4 Outline

Preparation of the Balance Sheet
Asset Classification
Current Asset Accounts
 Cash
 Short-Term Investments
 Accounts Receivable
 Inventories
 Prepaid Expenses
Noncurrent Asset Accounts
 Investments
 Property and Equipment
 Other Assets
Liability Classification
Current Liability Accounts
 Accounts Payable
 Sales Tax Payable
 Income Taxes Payable
 Accrued Payables
 Advance Deposits
 Current Maturities of Long-Term Debt
Long-Term Liability Accounts
 Reclassification Example
Bonds
 Types of Bonds
 Bond Prices
 Bonds Issued at a Discount
 Bonds Issued at a Premium
 Bond Sinking Fund
Equity Classification
Proprietorship Equity Accounts
 Capital
 Withdrawals
Partnership Equity Accounts
Corporation Equity Accounts
 Common Stock Issued
 Additional Paid-In Capital
 Retained Earnings
 Preferred Stock Issued
 Donated Capital
 Treasury Stock
 Stockholders' Equity on the Balance Sheet
Limited Liability Company Equity Accounts

Competencies

1. Identify the accounts used to prepare a balance sheet, and identify and describe the asset accounts. (pp. 85–93)
2. Identify and describe the liability accounts. (pp. 93–97)
3. Identify the types of, and describe the accounting for, bonds. (pp. 98–99)
4. Identify and describe the equity accounts. (pp. 99–107)