

Spreadsheet Guide

Step-by-Step Instructions

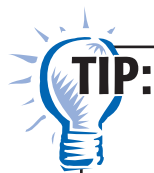
Problem 21-8 Preparing Corporate Financial Statements

Complete the Spreadsheet

- Step 1** Read the instructions for Problem 21-8 in your textbook. This problem involves preparing a statement of stockholders' equity and a balance sheet.
- Step 2** Launch the Spreadsheet.

PROBLEM 21-8 PREPARING CORPORATE FINANCIAL STATEMENTS					
(name)					
(date)					
RIVER'S EDGE CANOE & KAYAK STATEMENT OF STOCKHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 20--					
	\$100 PAR 9% PREFERRED STOCK	\$5 PAR COMMON STOCK	PAID-IN CAPITAL IN EXCESS OF PAR	RETAINED EARNINGS	TOTAL
Balance, January 1, 20--	AMOUNT	AMOUNT	AMOUNT	AMOUNT	0.00
Stock Issued:					
500 Shares of 9% Preferred at Par	AMOUNT				0.00
25,000 Shares of Common at \$9		AMOUNT	AMOUNT		0.00
Net Income				AMOUNT	0.00
Cash Dividends:					
Preferred Stock				AMOUNT	0.00
Common Stock				AMOUNT	0.00
Balance, December 31, 20--	AMOUNT	AMOUNT	AMOUNT	0.00	0.00

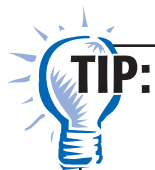
- Step 3** Type your name and today's date in the cells containing the *(name)* and *(date)* placeholders.
- Step 4** Type the missing amounts in the statement of stockholders' equity in the cells containing the AMOUNT placeholders. Remember, it is not necessary to add a comma or the decimal point and ending zeroes. The total for each line will be automatically computed.



TIP:

To enter a negative number, precede the amount entered by a minus sign. The spreadsheet will automatically format the number as negative using parentheses.

- Step 5** Now scroll down below the statement of stockholders' equity and look at the balance sheet. Note the amounts have already been computed. The spreadsheet automatically pulls information from the statement of stockholders' equity to complete the balance sheet.
- Step 6** Save the spreadsheet using the **Save** option from the **File** menu. You should accept the default location for the save as this is handled by the management system.
- Step 7** Print the completed spreadsheet.



If your spreadsheet is too wide to fit on an 8.5-inch wide piece of paper, you can change your print settings to print the worksheet *landscape*. Some spreadsheet applications also allow you to choose a “print to page” option. This function will reduce the width and/or depth of the worksheet to fit on one page.

Step 8 Exit the spreadsheet program.

Step 9 In the Close Options window, select the location where you would like to save your work.

Step 10 Complete the Analyze activity from your textbook for this problem.

What-If Analysis

If net income were \$511,000, how would this affect retained earnings?
