

Spreadsheet Guide

Step-by-Step Instructions

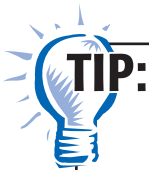
Problem 28-4 Preparing an Income Statement and Balance Sheet for a Partnership

Complete the Spreadsheet

- Step 1** Read the instructions for Problem 28-4 in your textbook. This problem involves preparing an income statement and a balance sheet for a partnership.
- Step 2** Launch the Spreadsheet Problem.

PROBLEM 28-4				
PREPARING AN INCOME STATEMENT AND BALANCE SHEET FOR A PARTNERSHIP				
(name)				
(date)				
Joy Webster %		AMOUNT		
Diana Ruiz %		AMOUNT		
Net Income			AMOUNT	
Division of Net Income:				
Webster		0.00		
Ruiz		0.00		
	Partners' Equity	Webster	Ruiz	Total Equity
Beginning Capital, January 1		0.00	0.00	0.00
Add: Net Income		0.00	0.00	0.00
Investments		6,000.00	5,500.00	11,500.00
Subtotal		6,000.00	5,500.00	11,500.00
Less: Withdrawals		1,800.00	1,200.00	3,000.00
Ending Capital, December 31		4,200.00	4,300.00	8,500.00

- Step 3** Type your name and today's date in the cells containing the *(name)* and *(date)* placeholders.
- Step 4** Joy Webster and Diana Ruiz share in the partnership equally. Therefore, each has a 50% share of the profits. Type Webster's and Ruiz's partnership percentage into cells B10 and B11: **50**.



TIP: Cells B10 and B11 are formatted for percentages. Therefore, it is not necessary to type a percent sign after the number, nor is it necessary to type the number as a decimal.

Name

Date

Class

-
- Step 5** Now type net income into cell C13: **5780**. Remember, it is not necessary to type a comma or the decimal point and ending zeroes. The division of net income for Webster and Ruiz will be automatically calculated.
- Step 6** Now scroll down below the division of net income and look at the partial balance sheet. The partners' equity section has been completed.
- Step 7** 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 Accounting Management System.
- Step 8** Print the completed spreadsheet.
- Step 9** Exit the spreadsheet program.
- Step 10** In the Close Options box, select the location where you would like to save your work.
- Step 11** Complete the Analyze activity from your textbook for this problem.

What-If Analysis

If Webster's partnership percentage were 60% and Ruiz's partnership percentage were 40%, what would the division of net income be? How would this affect each partner's ending capital?
