

Mall Exercise Balance Sheet Equation Worksheet

	ASSETS		=	DEBT			=	OWNERS' EQUITY							
	Cash	+	PP&E	=	+	First-Bank Debt	+	Sec.-Bank Debt	Lease Oblig.	+	Common Stock- A	+	Common Stock- B	+	Retained Earnings
Part (a) -- Mall Approved															
Issue stock to A	\$200										\$200				
Issue stock to B	\$800											\$800			
Purchase land	(\$1,000)		\$1,000												
Sell land	\$2,000		(\$1,000)												\$1,000
Pre liquidation ending balance	\$2,000		\$0								\$200		\$800		\$1,000
Part (a) -- Mall Not Approved															
Issue stock to A	\$200										\$200				
Issue stock to B	\$800											\$800			
Purchase land	(\$1,000)		\$1,000												
Sell land	\$500		(\$1,000)												(\$500)
Pre liquidation ending balance	\$500		\$0								\$200		\$800		(\$500)
Part (b) -- Mall Approved															
Issue stock to A	\$200										\$200				
Issue debt	\$800					\$800									
Purchase land	(\$1,000)		\$1,000												
Interest earned						\$80									(\$80)
Sell land	\$2,000		(\$1,000)												\$1,000
Pre liquidation ending balance	\$2,000		\$0			\$880					\$200				\$920
Part (b) -- Mall Not Approved															
Issue stock to A	\$200										\$200				
Issue debt	\$800					\$800									
Purchase land	(\$1,000)		\$1,000												
Interest earned						\$80									(\$80)
Sell land	\$500		(\$1,000)												(\$500)
Revalue debt prior to liquidation						(\$380)									\$380
Pre liquidation ending balance	\$500		\$0			\$500					\$200				(\$200)
Part (c) -- Mall Approved															
Issue stock to A	\$200										\$200				
Issue debt	\$1,800					\$800		\$1,000							
Purchase land	(\$2,000)		\$2,000												
Interest earned						\$80		\$150							(\$230)
Sell land	\$4,000		(\$2,000)												\$2,000
Pre liquidation ending balance	\$4,000		\$0			\$880		\$1,150			\$200				\$1,770
Part (c) -- Mall Not Approved															
Issue stock to A	\$200										\$200				
Issue debt	\$1,800					\$800		\$1,000							
Purchase land	(\$2,000)		\$2,000												
Interest earned						\$80		\$150							(\$230)
Sell land	\$1,000		(\$2,000)												(\$1,000)
Revalue debt prior to liquidation								(\$1,030)							\$1,030
Pre liquidation ending balance	\$1,000		\$0			\$880		\$120			\$200				(\$200)