



The Six-Column Work Sheet

ACCOUNT TITLE	ACCT. NO.	TRIAL BALANCE		INCOME STATEMENT		BALANCE SHEET	
		DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
Assets		\$ XX				\$ XX	
		\$ XX				\$ XX	
		\$ XX				\$ XX	
Liabilities			\$ XX				\$ XX
			\$ XX				\$ XX
			\$ XX				\$ XX
Owner's Equity			\$ XX				\$ XX
			\$ XX				\$ XX
Revenue			\$ XX		\$ XX		
			\$ XX		\$ XX		
Expenses		\$ XX		\$ XX			
		\$ XX		\$ XX			

- The work sheet: A device that organizes information used to prepare the financial statements.

Steps in Preparing a Work Sheet

Step 1: Write the Heading

Step 2: Record the Trial Balance

Step 3: Transfer the Balance Sheet Items

Step 4: Transfers the Income Statement Items

Step 5: Complete the Income Statement Section

Step 6: Complete the Balance Sheet Section

Step 7: Rule the Work Sheet **====**

Recording a Net Loss on a Work Sheet

- Obtain the amount of the loss by subtracting the smaller total (revenue) for the larger (expenses)
- Write net loss in the account title section on the same line as the loss
- Enter the loss in the balance sheet section column
- Rule double lines

204 ... CHAPTER 5 / WORK SHEET, CLASSIFIED FINANCIAL STATEMENTS

Real Services
Work Sheet
For the month ended October 31, 19--

ACCOUNT TITLE	ACC. NO.	TRIAL BALANCE		INCOME STATEMENT		BALANCE SHEET	
		DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
Cash	100	5,000				5,000	
Accounts Receivable	101	10,000				10,000	
Maintenance Expense	510	2,000		2,000			
		250,000	230,000				
				75,000		176,000	184,000
Net Loss				8,000		8,000	
				100	83,000	184,000	184,000

FIGURE 5-4 Recording a net loss on a work sheet

Using the Work Sheet

Accounts Payable	200	10,500					
Bank Loan	221	63,000					
Mortgage Payable	231	80,000					
R. Dubrow, Capital	300	90,600					90,600
R. Dubrow, Drawings	301	1,500				1,500	
Members' Fees	400		12,530		12,530		
Sports Equipment Rental	401		500		500		
Towel Rental	402		150		150		
Salaries Expense	500	4,650		4,650			
Advertising Expense	501	2,700		2,700			
Telephone Expense	502	190		190			
Maintenance Expense	503	400		400			
Laundry Expense	504	1,100		1,100			
Interest Expense	505	1,500		1,500			
Laundry Expense	506	80		80			
		257,620	237,470			10,790	248,830
Net Income				2,450		2,450	
				13,240	11,790	248,830	248,830

