

Name \_\_\_\_\_ Date \_\_\_\_\_

**ANSWERS TO SECTION 8.3 EXERCISES (cont.)**

Exercise 2, p. 277

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**ANSWERS TO SECTION 8.3 EXERCISES (cont.)**

**Exercise 4, p. 278**

**A.**

<b>Balance Sheets</b>				
<b>December 31, 20—</b>				
<b>Items</b>	<b>Neon Company</b>		<b>Radon Company</b>	
	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
<b>Assets</b>				
Bank	\$ 3 000		\$14 500	
Accounts Receivable	10 000		5 500	
Plant and Equipment	132 000		53 000	
Automobiles	38 000		26 000	
<b>Total Assets</b>	<b>\$183 000</b>		<b>\$99 000</b>	
<b>Liabilities and Equity</b>				
Accounts Payable	\$ 19 000		\$ 2 200	
Mortgage Payable	92 500		18 000	
Owner's Equity	71 500		78 800	
<b>Total Liabilities and Equity</b>	<b>\$183 000</b>		<b>\$99 000</b>	

**B.** \_\_\_\_\_

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**C.** \_\_\_\_\_

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