**Exercise 1**

We know the following items:

|  |  |
| --- | --- |
| Equipment | $ 7 000 |
| Supplies | $ 1 600 |
| Utilities expense | $ 200 |
| Retained earnings | $ 1 450 |
| Service revenue | $ 4 700 |
| Share capital – ordinary | ? |
| Accounts payable | $ 1 600 |
| Cash | $ 8 050 |
| Advertising expense | $ 250 |
| Rent expense | $ 600 |
| Accounts receivable | $ 1 400 |
| Salaries and wages expense | $ 900 |

* Prepare a balance sheet
* Prepare a profit and loss statement (income statement)
* Find out information about:
	+ Net income
	+ Revenue
	+ Expenses
	+ Assets
	+ Liabilities
	+ Equity
	+ Total equity and liabilities