

What do you know / what can you remember?

Write down what you think when you see the following words

1. Accounts
2. Income statement
3. Cost of sales
4. Gross profit
5. Balance sheet
6. Overheads
7. Liabilities
8. Net assets

Watch the following video making note on how the balance sheet is formed and then have a go at the tutor2u quiz underneath

<https://www.tutor2u.net/business/reference/introduction-to-the-balance-sheet>

<https://www.tutor2u.net/business/reference/balance-sheet-revision-quiz>

Complete the gaps in the sentence and calculate the missing figures in the balance sheet.

- **A balance sheet shows what the business is worth at one moment in time.**
- A balance sheet sets out the a _____ and l _____ that a business has on a particular day

Winter Ltd Balance Sheet 31.12.15	
Fixed assets	£950,000
Current assets	£90,000
Current liabilities	£60,000
Long-term liabilities	£ _____
Net assets employed	£380,000
Total equity	£ _____

Put the following into The Balance Sheet on the next slide

● Vehicles £50,000

● Debtors / Receivables £20,000

● Machinery £25,000

● Creditors / Payables £15,000

● Mortgage £400,000

● Stock £35,000

● Taxes £15,000

● Cash £15,000

● Buildings £450,000

Fill In The Balance Sheet

	(£)
Fixed Assets	
Current Assets	
Current Liabilities	
Long Term Liabilities	
Net Assets Employed	
Total Equity	

Watch the video below and answer the questions

1. The balance sheet looks at the question of...
2. Why is the balance sheet so important to bankers / investors?
3. The balance sheet is a 'snapshot of...' continue the paragraph
4. What is the difference long-term (non-current) assets and current assets?
5. Give three examples of long term (non-current) assets and three examples of current assets?
6. Long-term capital (used to finance the business) may have come from three main sources, these are...
7. Why is one of these sources put in a different place on the balance sheet? Fully explain ($A^* - A$)

Fill In The Balance Sheet – answers to slide 5

	(£)
Fixed Assets	525,000
Current Assets	70,000
Current Liabilities	30,000
Long Term Liabilities	400,000
Net Assets Employed	165,000
Total Equity	165,000