

Spreadsheet Guide

Step-by-Step Instructions

Problem 28-9 Completing End-of-Period Activities for a Partnership

Complete the Spreadsheet

- Step 1** Read the instructions for Problem 28-9 in your textbook. This problem involves preparing the end-of-period financial statements for a partnership.
- Step 2** Launch the Spreadsheet Problem.

PROBLEM 28-9		
COMPLETING END-OF-PERIOD ACTIVITIES FOR A PARTNERSHIP		
(name)		
(date)		
Smooth %		AMOUNT
Overhill %		AMOUNT
R & C ROOFING		
INCOME STATEMENT		
FOR THE YEAR ENDED DECEMBER 31, 20--		
Revenue:		
Consulting Fees	15,900.00	
Roofing Fees	<u>62,750.00</u>	
Total Revenue		78,650.00
Expenses:		
Advertising Expense	2,400.00	
Depreciation Expense - Office Equipment	185.00	
Depreciation Expense - Truck	3,900.00	
Depreciation Expense - Building	1,200.00	
Insurance Expense	1,200.00	
Office Supplies Expense	335.00	
Roofing Supplies Expense	11,470.00	
Salaries Expense	28,109.00	
Truck Expense	1,400.00	
Utilities Expense	<u>2,095.00</u>	
Total Expense		<u>52,294.00</u>
Net Income		<u><u>26,356.00</u></u>
Division of Net Income:		
Richard Smooth	0.00	
Carrie Overhill	0.00	
Net Income		<u><u>0.00</u></u>

- Step 3** Type your name and today's date in the cells containing the *(name)* and *(date)* placeholders.
- Step 4** Richard Smooth and Carrie Overhill agree to divide R & C Roofing's net income or loss on the following basis: Smooth, $\frac{3}{4}$; Overhill, $\frac{1}{4}$. Therefore, Smooth has a 75% partnership percentage, and Overhill has a 25% partnership percentage. Type Smooth's and Overhill's partnership percentages into cells B9 and B10.

**TIP:**

Cells B9 and B10 are formatted for percentages. Therefore, it is not necessary to type a percent sign after the number, nor is it necessary to type the number as a decimal.

- Step 5** Now scroll down below the partnership percentages and look at the income statement, statement of changes in partners' equity, and balance sheet for R & C Roofing. Notice that the financial statements are already completed, using information from the work sheet in your working papers and from the partnership percentages you entered in cells B9 and B10.
- Step 6** Save the spreadsheet using the **Save** option from the **File** menu. You should accept the default location for the save, as this is handled by the Accounting Management System.
- Step 7** Print the completed spreadsheet.

**TIP:**

When printing a long spreadsheet with multiple parts, you may want to insert page breaks between the sections so that each one begins printing at the top of a new page. Page breaks have already been entered into this spreadsheet template. Check your program's Help file for instructions on how to enter page breaks.

- Step 8** Exit the spreadsheet program.
- Step 9** In the Close Options box, select the location where you would like to save your work.
- Step 10** Complete the Analyze activity from your textbook for this problem.

What-If Analysis

If Smooth and Overhill shared in the partnership equally, what would the division of net income be? How would this affect each partner's ending capital?
