**Unit 4: The Worksheet, Adjusting, and Closing Entries**

**Activity 4: Classified Financial Statements**

1. Why have our needs surpassed the simple balance sheet format? List the three (3) major reasons:
2. How do we create a Classified Balance Sheet? List the four (4) really big changes:
3. The first section is \_\_\_\_\_\_\_\_\_\_\_\_\_\_. Remember this is divided into \_\_\_\_\_\_\_\_-term and \_\_\_\_\_\_\_\_-term assets. Short term assets are called \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Assets. Please ignore the account Allowances for doubtful accounts for now.

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|  | From the website: Click to [see](http://download.elearningontario.oise.utoronto.ca/repository/1092460000/BAF3MPU04/BAF3MPU04A04/mme/BAF3MPU04A04flash01.swf) how to construct the current and fixed asset sections of a Classified Balance Sheet. |

1. The next section is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Remember, this too is now divided into \_\_\_\_\_\_\_\_-term and \_\_\_\_\_\_\_\_\_\_-term sections.

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|  | From the website: Click to [see](http://download.elearningontario.oise.utoronto.ca/repository/1092460000/BAF3MPU04/BAF3MPU04A04/mme/BAF3MPU04A04flash03.swf) how to construct the current and long-term liabilities sections of a Classified Balance Sheet. |

1. This leaves us with the trickiest part, the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ section.

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|  | From the website: Click to [see](http://download.elearningontario.oise.utoronto.ca/repository/1092460000/BAF3MPU04/BAF3MPU04A04/mme/BAF3MPU04A04flash05.swf) how to construct the equity section of a Classified Balance Sheet. |

1. What is the general rule of thumb for placing dollar signs?

What the Balance Sheet Tells You

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|  | From the website: Click to [see](http://download.elearningontario.oise.utoronto.ca/repository/1092460000/BAF3MPU04/BAF3MPU04A04/mme/BAF3MPU04A04flash06.swf) what a Classified Balance Sheet can tell you. |

1. List at least 6 things that the balance sheet tells you:

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|  | From the website: click on [Classified balance sheet](http://download.elearningontario.oise.utoronto.ca/repository/1092460000/BAF3MPU04/BAF3MPU04A04/mme/class_balance/66_ClassifiedBalanceSheet.html). Be sure to print the balance sheet you develop and include it in your notes. |